S2235-1

STATE OF IDAHO
DEPARTMENT OF FINANCE
SEVENTY-SECOND REPORT
CENTENNIAL EDITION

IDAHO BANK ACT
IDAHO SAVINGS AND LOAN ACT
BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATION ACT
IDAHO CREDIT UNION LAW
IDAHO CREDIT CODE
IDAHO MORTGAGE COMPANY ACT
IDAHO COLLECTION AGENCY LAW
IDAHO SECURITIES ACT
BUSINESS COMBINATION LAW
CONTROL SHARE ACQUISITION LAW
IDAHO COMMODITY CODE
ENDOWMENT CARE CEMETERY ACT
CONTINUING CARE DISCLOSURE ACT

CECIL D. ANDRUS
GOVERNOR

BELTON J. PATTY
DIRECTOR

JULY 1, 1989 THROUGH JUNE 30, 1990

Celebrate
IDAHO
1890 • CENTENNIAL • 1990

CECIL D. ANDRUS
GOVERNOR

BELTON J. PATTY
DIRECTOR

STATE OF IDAHO
DEPARTMENT OF FINANCE
BOISE, IDAHO 83720
(208) 334-3313

THE HONORABLE CECIL D. ANDRUS

Governor, State of Idaho

Dear Sir:

In compliance with the provisions of the Statutes, I have the honor to submit herewith the Seventy–Second Report of business transacted by the Department of Finance covering the period from July 1, 1989 through June 30, 1990.

BELTON J. PATTY
Director of Finance

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Banks and S&L's (208) 334-3678
Credit Unions (208) 334-2896
Collection Agencies (208) 334-2945

EQUAL OPPORTUNITY EMPLOYER

Securities (208) 334-3684
Idaho Credit Code (208) 334-2945
Supporting Services (208) 334-3315

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FOREWORD

The Department of Finance is a regulatory agency created for the purpose of regulating banks, savings and loan associations, credit unions, collection agencies, corporate take–overs, securities issuers, brokers, investment advisers and salesmen, and endowed care cemeteries, and of enforcing the provisions of the Idaho Credit Code. The Department administers eight programs, two of which relate specifically to the internal operations of the Department. The other six programs concern enforcement of the following thirteen regulatory statutes:

Idaho Bank Act
Idaho Savings & Loan Act
Business & Industrial Development Corporation Act (BIDCO)
Idaho Credit Union Law
Idaho Credit Code
Idaho Mortgage Company Act
Idaho Collection Agency Law
Idaho Securities Act
Business Combination Law
Control Share Acquisition Law
Idaho Commodity Code
Endowment Care Cemetery Act
Continuing Care Disclosure Act

COMMISSIONERS OF DEPARTMENT SINCE DATE OF ITS CREATION BY ACT OF LEGISLATURE IN 1905

Commissioner	Term of Office
C. C. Loveland	March 6, 1905 to June 1, 1907
W. S. Chaney	June 1, 1907 to March 6, 1909
William G. Cruse	March 6, 1909 to June 2, 1911
V. W. Platt	June 2, 1911 to February 1, 1913
A. E. Reid	February 1, 1913 to February 6, 1915
G. R. Hitt	February 6, 1915 to January 25, 1919
Jay Givson	January 25, 1919 to September 10, 1920
J. G. Fralick	September 10, 1920 to February 7, 1923
E. W. Potter	February 7, 1923 to February 1, 1931
Ben Diefendorf	February 1, 1931 to January 13, 1937
George W. Wedgwood	January 13, 1937 to January 1, 1939
G. L. Jenkins	January 1, 1939 to January 6, 1941
George W. Wedgwood	January 6, 1941 to January 4, 1943
G. L. Jenkins	January 4, 1943 to January 2,1945
J. B. Newport	January 4, 1945 to December 28, 1946
William J. Sewell	December 28, 1946 to January 6, 1947
E. F. Haworth	January 6, 1947 to August 15, 1952
Austin Schauweiler	August 15, 1952 to May 14, 1954
R. U. Spaulding	June 17, 1954 to April 14, 1961
J. L. McCarthy	June 1, 1961 to July 9, 1965
Tom D. McEldowney(Acting)	August 10, 1965 to January 31, 1967
John D. Silva	February 1, 1967 to January 4, 1971
Tom D. McEldowney(Acting)	January 4, 1971 to August 29, 1971
Tom D. McEldowney	August 30, 1971 to March 31, 1987
Belton J. Patty	April 1, 1987 to Present

SUMMARY OF INCOME AND EXPENSES

July 1, 1989 through June 30, 1990

INCOME BY SOURCE

Dedicated Account	$	1,921,180.92
TOTAL INCOME COLLECTED	$$	1,921,180.92

APPROPRIATION

Dedicated Account	$	1,882,700.00
TOTAL APPROPRIATION	$$	1,882,700.00

EXPENDITURES

Personnel Costs	$	1,463,627.94
Operating Expenditures		313,714.97
Capital Outlay		39,634.21
TOTAL EXPENDITURES	$$	1,816,977.12
BALANCE OF APPROPRIATION	$$	65,722.88

EXPENDITURES BY MAJOR CLASSES

Salaries & Wages	$	1,181,550.80
Personnel Benefits		282,077.14
Travel		102,445.71
Professional & Other Services		46,843.16
Rentals		91,477.13
Repairs & Maintenance		18,156.35
Communications		26,020.34
Materials & Supplies		26,736.37
Miscellaneous Operating Expenditures		2,035.91
Capital Outlay		39,634.21
TOTAL EXPENDITURES BY MAJOR CLASSES	$$	1,816,977.12

PERSONNEL STATUS	POSITIONS AUTHORIZED	POSITIONS APPROPRIATED	POSITIONS FILLED
Full–Time Employees	42.00	42.00	38.00
Part–Time Employees	1.00	1.00	3.00
TOTALS	43.00	43.00	41.00

SUPPORTING SERVICES BUREAU

The purpose of this Bureau is to provide operational support to the Director and the Chiefs of the other Bureaus in carrying out their program responsibilities. This support is provided through the development and maintenance of the accounting system and records for the Department; maintenance of personnel records; preparation and submission of the Department's budget; provision of financial, management, and statistical reports; coordination of the Department's business services; and conversion and maintenance of the Department's data base functions to electronic data processing methods.

FINANCIAL INSTITUTIONS BUREAU

The Financial Institutions Bureau of the Department of Finance is charged with the responsibility of chartering, examining, regulating and supervising all state-chartered banks, savings and loan associations, independent trust companies, business and industrial development corporations (BIDCOs), credit unions, finance companies and collection agencies in accordance with the applicable statutes of the Idaho Code. The Bureau is also responsible for enforcement of the Idaho Credit Code, which governs the activities of all business entities engaged in granting consumer credit. Compliance with all applicable laws is monitored through examination and supervision, and by investigation of complaints filed against financial institutions and other businesses licensed with the Department of Finance. The Financial Institutions Bureau administers the following laws: the Idaho Bank Act, Idaho Savings and Loan Act, Idaho Credit Union Act, Idaho Credit Code, Idaho Collection Agency Law, the Business and Industrial Development Corporation Act and effective July 1, 1990, the Idaho Mortgage Company Act.

BANKING DIVISION

MORE THAN A CENTURY OF IDAHO BANKING FROM GOLD DUST TO GOLD CARDS

There were no credit, debit or check guarantee cards. No checkbooks, travelers checks or wire transfers. No overdrafts or ATM's to get cash at the mall —— there was no cash —— there were no malls. In fact, there was no "money" as we know it today.

On the other hand, there was 24 hour banking (in some saloons), a number of banking "offices" to serve you at convenient locations where you shopped (or drank) and security —— usually a safe guarded by a "banker" wearing a gun. And there was the most common medium of exchange —— gold dust. Instead of checkbooks, credit cards, currency or coins, people carried gold dust in buckskin purses. Bill paying was done by "weighing out" – shaking out an amount of gold from the pouch onto a measuring scale. "Banking" was done when miners would entrust their gold pouches to saloon owners and storekeepers for safekeeping. A receipt or "note" would sometimes be given for the gold "deposit" and these notes could be traded for merchandise instead of the actual gold on deposit.

So went banking in Idaho prior to statehood. During these early years, most of the banks were started as a sideline to a primary business such as a general store, trading post or saloon. By 1890, when Idaho became a state, there were 19 banks and the number was increasing rapidly. Part of the increase was due to the lack of bank regulation. Virtually anyone could start a bank in those days. Idaho had no incorporation law before 1887 and no banking code until 1905. There were no capital or reserve requirements and, of course, no deposit insurance. Banking disputes were handled much like other disputes —— with a fist or a gun.

There was a federal banking law, passed in 1863, which established the chartering and regulation of national banks. The Idaho First National Bank, Boise, Idaho, founded by Christopher W. Moore, was, as the name suggests, the first national bank in Idaho. However, there were many "private" banks operating prior to this time when there were no state or territorial chartering laws. Finally, in 1905, 15 years after statehood, the Idaho Legislature passed a banking law placing banks under state supervision. In the next five years, the number of banks in Idaho grew to 154 state banks and 47 national banks. By 1920, the total number had grown to an all time high of 224, with lax requirements, such as the need for only $10,000 start–up capital, and few of the restrictions applicable to banks today. The depression and the deflation of agricultural prices in 1920 and 1921 were disastrous for Idaho, the country and banking institutions. Over the next ten years, 69 of those 224 banks failed and 19 merged with other banks, while total banking assets in Idaho declined by $56,452,000.

Beginning in 1929 and continuing through 1933, the greatest state and national banking crises in history occurred. In 1932 alone, Idaho experienced 35 bank failures and voluntary liquidations. By 1936, the total number of Idaho banks had dropped to 54, a loss of 83 banks since 1929. Nationwide, the failure rate of banks during the depression era reduced the number of banks by approximately 15,000, or nearly half of all the banks in the country. A nationwide holiday for banks was declared on March 6, 1933, while Congress enacted legislation to stabilize the banking industry. Among the many measures enacted to aid the failing banks was the creation of the Reconstruction Finance Corp. (RFC). This federal agency was created to "provide emergency financing for financial institutions, to aid in financing agriculture, commerce and industry, and for other purposes." RFC loans to banks saved millions of depositors from loss and began to restore confidence in the banking system. In Idaho, the RFC played a major role in improving the financial condition of the banking industry and the state's economy. Idaho banks borrowed a total of $2,902,146.39 from the RFC and by the end of 1938, it had all been repaid.

The serious economic conditions that plagued the country and banks after World War I did not develop after World War II. The nation's economy remained strong and bank expansion went forward. From 1946 until 1960, the number of commercial banks in the United States increased from 18,025 to 23,716. The number of banks in Idaho, as in other branching states, decreased over this 14 year period. By 1960 there were just 31 banks in Idaho, but several operated numerous state–wide branches.

From the 1960's to present day, banking in Idaho has been marked by mergers and acquisitions, newly chartered banks, a beneficial mix of independent and large branch banks, and state and national banks. Increased competition brought on by deregulation in the 80's, computerization and the entrance into banking by non–banking institutions has also had a significant impact on banking today, with banks offering an ever increasing array of products and services to their customers. While interstate and branch banking have decreased the total number of banks, there remains a vital role for the smaller independent bank serving the needs of its community.

Many of the laws and regulations enacted in the depression era are still very much a part of banking today. However, many of these laws are being reexamined in light of the current savings and loan crises. The next century will no doubt bring many changes to banking with increased technology and computerization, new laws and regulations, more interstate and international banking and increased competition from non–bank concerns. Although the exact nature of banking over the next 100 years is impossible to foresee, we can safely predict that when Idaho celebrates its bicentennial, banking will likely be as different then compared with today as it is today compared with 100 years ago.

CURRENT STATUS

The Banking Division of the Financial Institutions Bureau carries out the daily supervision of state–chartered banks and bank holding companies. The purpose of this regulatory oversight is to ensure safe and prudent banking practices, maintain public confidence, promote fair competition and encourage the continuation of the dual banking system. At the end of the Fiscal Year, there were seven (7) bank holding companies and fifteen (15) state chartered banks operating 72 branch offices and 5 facilities throughout the state. The Banking Division is also charged with regulating savings and loan associations, independent trust companies and BIDCOs. As of June 30, 1990, there was one branch office of a Utah–chartered savings and loan association, a Montana trust company and one BIDCO conducting business in Idaho.

The Banking Division also maintains close contact with field and regional office personnel of the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve in order to coordinate examinations, share supervisory information and initiate enforcement actions where necessary. In recent years, however, many of the examinations of Idaho's state–chartered banks have been conducted without the involvement of the FDIC because of the troubled conditions of financial institutions elsewhere in the nation. The ongoing crisis in the savings and loan industry, in particular, has placed a heavy demand upon the resources of the federal regulatory agencies, including the FDIC. Idaho financial institutions have generally operated in such a manner as to avoid increased regulatory attention evident in other sections of the country.

During Fiscal Year 1990, the Banking Division conducted 15 on–site bank examinations, five bank holding company examinations, a BIDCO examination, a savings and loan association examination and a trust company examination.

In addition to supervising and examining these institutions, Bureau personnel respond to numerous inquiries and investigate complaints about the propriety of various banking activities.

CSBS ACCREDITATION

The Banking Division of the Financial Institutions Bureau, after months of preparation and testing, was accredited by the Conference of State Bank Supervisors (CSBS) effective January 8, 1990. Idaho is only the 18th state banking department and the first in the west to qualify under the rigorous State Banking Department Accreditation Program. To become accredited, a state banking department must undergo a comprehensive review of all its functional areas: administration, finances, personnel policies and practices, training programs, examination and supervisory procedures and statutory powers.

ECONOMIC FACTORS

The financial health of the banking industry traditionally mirrors regional and national economic conditions. Despite an overall slowdown in the economy throughout much of the nation during Fiscal Year 1990, Idaho and most of the other western states continued to experience good growth. Record commodity prices for potatoes, grains and other crops had a significant impact on Idaho's economic well–being. In addition, the Department of Employment reported that seasonally adjusted unemployment ranged from 5.0% to 6.0% for the period, which although somewhat higher than the previous fiscal year, generally remained below the national average. Consequently, most Idaho banks enjoyed a measure of prosperity not seen in recent years.

In 1989 the FDIC reported 206 bank failures nationwide, compared to the record of 221 failures set the previous year; however, the dollar volume was well below the 1988 total. The savings and loan debacle has overshadowed these events, which are alarming in their own right, and the resulting fallout appears to be incalculable. In general, Idaho banks have successfully maneuvered through the financial difficulties of the 1980s which eroded bank capital in other regions. Only one Idaho bank—First Bank & Trust of Malad (May 1986)—has failed since the closure of Rathdrum State Bank in 1955. The impact of the savings and loan calamity, coupled with record budget deficits, on national financial markets and Idaho's banking environment remains to be seen.

OTHER MATTERS

Unfortunately, Idaho has not been totally immune to the financial scandals that have been the subject of so much recent attention in other states. Over the past two years, Banking Division personnel assisted the Federal Bureau of Investigation and the U.S Attorney's Office in investigations that ultimately produced a criminal conviction of two former senior executive officers of Idaho State Bank for misapplication of bank funds. In late July, these individuals were sentenced to 21 and 12 month prison sentences and three years probation. They were also ordered to make restitution to the bank in the amount of $175,000 and to perform 100 hours of community service.

THE CHANGING FACE OF IDAHO BANKING

Treasure Valley Bank moved its administrative offices to the historic Hoff Building in downtown Boise and opened a new branch at that location and at a site adjacent to the Boise Towne Square Mall in September 1989.

Bank of Commerce purchased the former First Interstate Bank building adjacent to the Country Club Mall in Idaho Falls and opened a new branch office at that location during September 1989. The bank's administrative offices were also relocated to the new premises. In addition, new branches were opened in Driggs and Rexburg early in the second quarter of 1990, further solidifying the bank's presence in the Upper Snake River Valley.

Ownership of Idaho State Bank changed hands in November 1989 when Winston Lauder, a Sun Valley area businessman, purchased a majority of the outstanding common stock after former shareholders were unable to meet the stock assessment imposed by the Director of Finance to recapitalize the institution.

In December 1989, D.L. Evans Bank received approval for a new branch charter and opened a banking office in Rupert.

Twin Falls Bank & Trust — a state–chartered bank since it was founded in 1908 — was purchased by First Security Bank of Idaho, N.A. during 1989. The financial community lost one of its foremost leaders when Curtis T. Eaton, the former CEO of Twin Falls Bank & Trust and one of the most respected bankers in the state, passed away in July of this year.

Bank of Eastern Idaho discontinued its Idaho Mortgage Company subsidiary operations in Ketchum prior to year end 1989 and was recently granted approval to establish a branch banking office on Channing Way in Idaho Falls near the Grand Targhee Mall. The new branch is scheduled to open during the first week of August.

RECENT DEVELOPMENTS

First National Bank in Spokane, a Washington–based subsidiary of U.S. Bancorp, Portland, Oregon, announced plans to move its head office from Spokane across the Idaho border to Coeur d' Alene, allegedly in conformance with a provision in the National Bank Act which permits a national bank to move its head office thirty (30) miles from its present location. The Director of Finance has filed an objection with the Office of the Comptroller and the Federal Reserve, asserting that both federal and Idaho law prohibit entry into the state using this approach. To date, no response from the federal regulatory agencies has been received.

The Director recently approved the application of Key Trust Company of the West, a Wyoming–based affiliate of KeyCorp, Albany, New York, to acquire the managed assets of the existing trust departments of Key Bank of Idaho and Key Bank of Utah and form a separate trust company subsidiary.

The Director has approved the application of Security Pacific Bancorporation Northwest to acquire Mountain West Savings Bank. Security Pacific Bancorp is a Seattle–based affiliate of Security Pacific Corporation, Los Angeles, California, the nation's fifth largest financial institution with assets of $87 billion. Mountain West Savings Bank may be converted to a commercial bank when the acquisition is finalized.

On August 28, 1990, Key Bank of Idaho announced its intention to acquire Valley Bank of Idaho Falls. The transaction would require state and federal approval and is intended to be completed in January, 1991. Key Bank is a subsidiary of Keycorp of Albany, New York, and is Idaho's largest state chartered financial institution with $682 million in assets and 30 branches. Valley Bank, with assets of $226 million and 11 branch offices, is Idaho's second largest state–chartered bank.

On September 4, 1990, the Director approved an application from WTB Financial Corporation, a multi–bank holding company headquartered in Spokane, Washington, to establish a trust company subsidiary in Idaho. WTB purchased Northern State Bank, Coeur d' Alene, and Seaport Citizens Bank, Lewiston, during the previous fiscal year.

On September 7, 1990, the Department approved the application by Bank of America Idaho to become an Idaho state–chartered bank headquartered in Coeur d'Alene, Idaho and to acquire the nine Idaho branches of Benj. Franklin Federal Savings & Loan Association. Bank of America Idaho is a wholly owned subsidiary of BankAmerica Corporation, San Francisco, California, the second largest bank holding company in the U.S. with assets of $104 billion. Benj. Franklin, which had been operating in conservatorship since February 21, 1990, operated 88 branches in Oregon, Washington, Utah and Idaho with assets of $3.0 billion. The Idaho branches include two in Boise and one each in Coeur d'Alene, Idaho Falls, Lewiston, Nampa, Payette, Pocatello and Twin Falls and hold deposits totalling $174 million. A BankAmerica Corporation subsidiary was the successful applicant to acquire certain assets and liabilities of Benj. Franklin in a competitive bidding process conducted by the Resolution Trust Corporation.

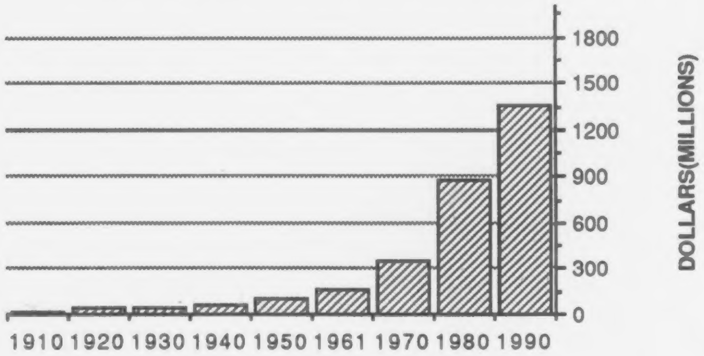
SUMMARY

Total assets of state–chartered banks declined from $1.6 billion to just over $1.5 billion during the past fiscal year, while total deposits fell by approximately $74 million to less than $1.4 billion and total equity capital decreased by more than $7 million to $106 million. Total loans and leases, net of loan loss reserves declined by $47 million for the period. The acquisition of Twin Falls Bank & Trust by First Security Bank of Idaho, N.A., with assets in excess of $185 million, is the reason for these decreased totals. The majority of Idaho banks experienced growth in assets, coupled with increased deposits and capital.

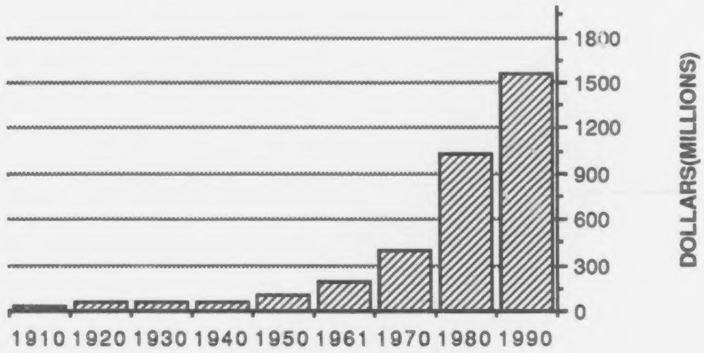
Idaho's state–chartered banks remain strong and vibrant as we celebrate the first 100 years of statehood, and embark upon the challenges that await in the decades ahead. The condition of Idaho banks continued to improve during the past fiscal year. In short, Idaho financial institutions have the necessary capital and other resources to continue to play a vital role in providing a wide range of banking services to meet the changing needs of Idahoans.

Following this narrative are several graphs which illustrate the growth trends of assets, deposits, loans and capital of state–chartered banks since 1910. A chart depicting the current distribution of various loan categories is also presented.

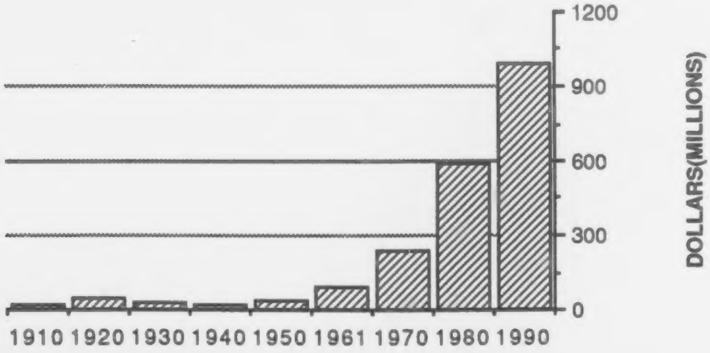
STATE BANKS - TOTAL DEPOSITS



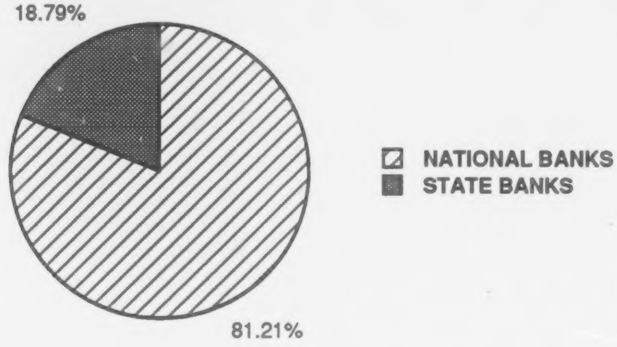
STATE BANKS - TOTAL ASSETS



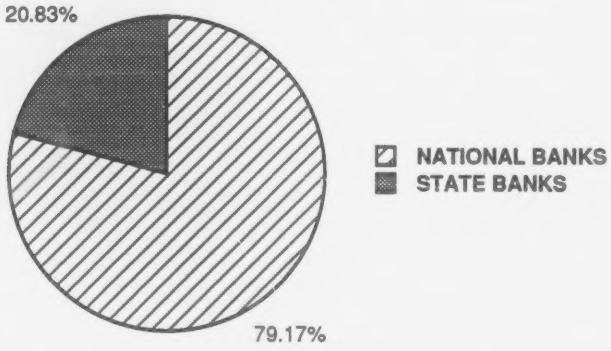
STATE BANKS - NET LOANS & LEASES



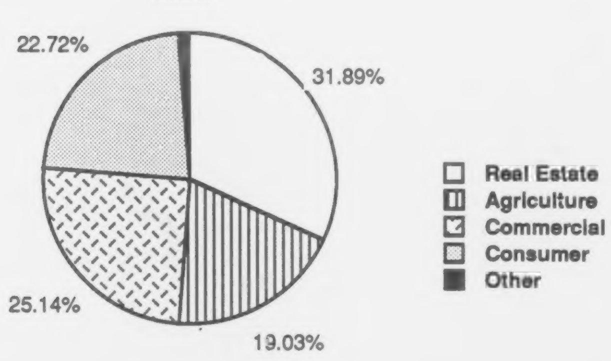
BREAKDOWN OF STATEWIDE BANK ASSETS



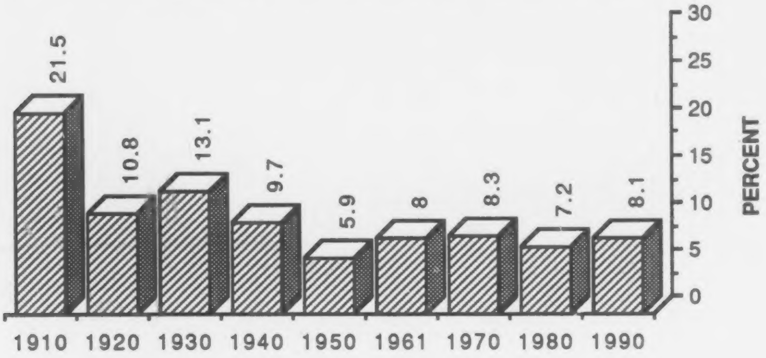
BREAKDOWN OF STATEWIDE BANK DEPOSITS



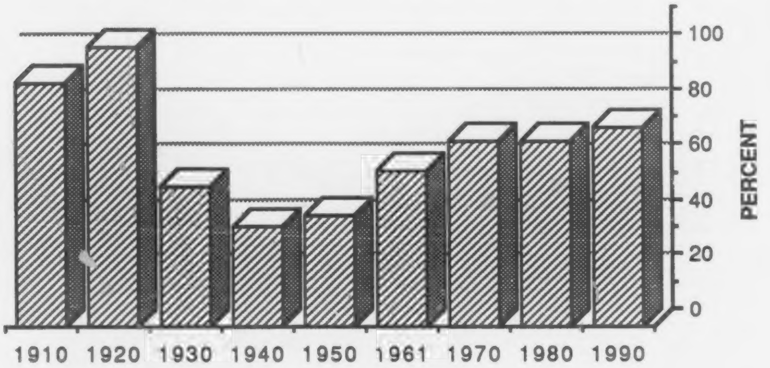
STATE BANKS - BREAKDOWN OF GROSS LOANS



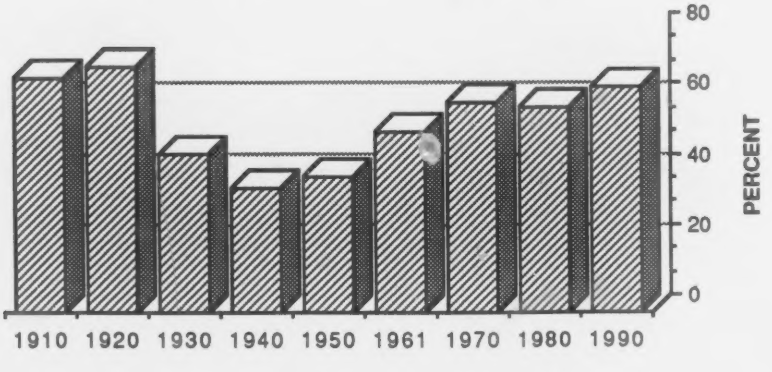
TRENDS IN EQUITY CAPITAL AND RESERVES

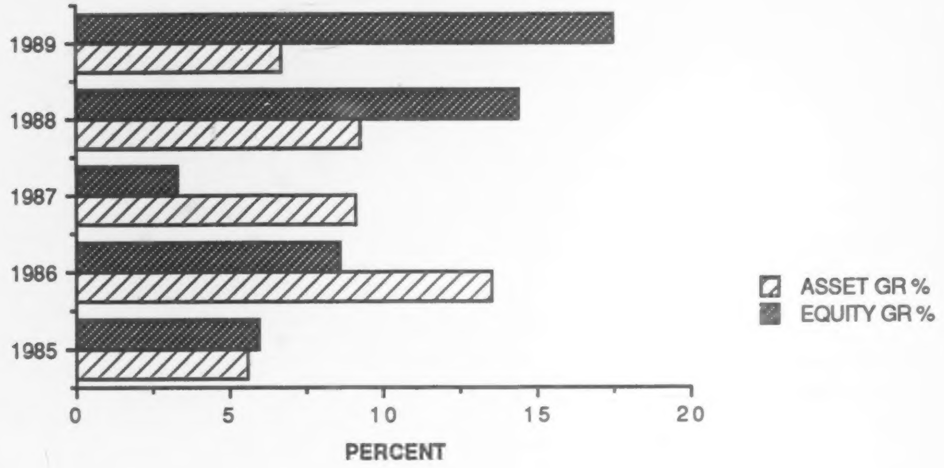


STATE BANKS - LOANS TO DEPOSITS

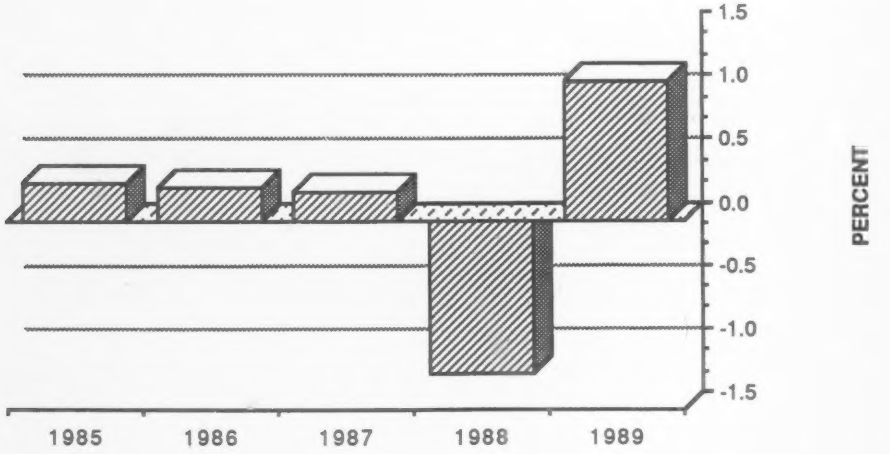


STATE BANKS - LOANS TO ASSETS





STATE BANKS COMPARATIVE GROWTH RATES



STATE BANKS - RETURN ON AVERAGE ASSETS

[illegible]ATE OF IDAHO
DEPARTMENT OF FINANCE
STATE BANKS COMPARATIVE STATEMENT
Close of Business 6/30/89 and 6/30/90
(000's Omitted)

ASSETS	6/89	6/90	INCREASE DECREASE
Cash and Balances Due From Depository Institutions:			
Noninterest–Bearing Balances and Currency & Coin	$ 91,911	$ 93,425	$ 1,514
Interest–Bearing Balances	36,769	26,368	(10,401)
Securities	355,899	314,136	(41,763)
Fed. Funds Sold & Sec. Purchased Under Agree. to Resell	41,375	48,010	6,635
Loans and Lease Financing Receivables:			
Loans and Leases, Net of Unearned Income	1,062,443	1,011,907	(50,536)
Less: Allowance for Loan and Lease Losses	22,349	18,916	(3,433)
Less: Allocated Transfer Risk Reserve	–0–	–0–	–0–
Loans & Leases, Net of Unearned Inc., Allow., & Reserve	1,040,094	992,991	(47,103)
Assets Held in Trading Accounts	–0–	–0–	–0–
Premises and Fixed Assets (Including Capitalized Leases)	29,835	29,231	(604)
Other Real Estate Owned	8,318	7,262	(1,056)
Investments in Unconsolidated Subsidiaries & Associated Co's	–0–	–0–	–0–
Customers Liability to this Bank on Acceptances Outstanding	–0–	–0–	–0–
Intangible Assets	172	154	(18)
Other Assets	38,134	40,261	2,127
TOTAL ASSETS	**$ 1,642,507**	**$ 1,551,838**	**$ (90,669)**
LIABILITIES			
Deposits:			
In Domestic Offices	$ 1,436,963	$ 1,362,171	$ (74,792)
Noninterest–Bearing	225,351	214,923	(10,428)
Interest–Bearing	1,211,612	1,147,248	(64,364)
Fed. Funds Purchased & Sec. Sold Under Agreements to Repurch.	65,559	62,331	(3,228)
Demand Notes Issued to the U.S. Treasury	6,368	5,702	(666)
Other Borrowed Money	571	610	39
Mortgage Indebtedness & Obligations Under Capitalized Leases	2,353	2,256	(97)
Bank's Liability on Acceptances Executed and Outstanding	–0–	–0–	–0–
Notes and Debentures Subordinated to Deposits	–0–	–0–	–0–
Other Liabilities	16,025	12,708	(3,317)
TOTAL LIABILITIES	**$ 1,527,839**	**$ 1,445,778**	**$ (82,061)**
Limited–Life Preferred Stock	–0–	–0–	–0–
EQUITY CAPITAL			
Perpetual Preferred Stock	$ 400	$ 800	$ 400
Common Stock	16,070	14,562	(1,508)
Surplus	80,128	77,546	(2,582)
Undivided Profits and Capital Reserves	18,070	13,152	(4,918)
TOTAL EQUITY CAPITAL	**$ 114,668**	**$ 106,060**	**$ (8,608)**
TOTAL LIABILITIES, LIMITED–LIFE PREFERRED STOCK, & EQUITY CAPITAL	**$ 1,642,507**	**$ 1,551,838**	**$ (90,669)**

Banks: 15
Branches: 77 (Includes Bank Facilities)
Total Offices: 92

STATE OF IDAHO
DEPARTMENT OF FINANCE
NATIONAL BANKS COMPARATIVE STATEMENT
Close of Business 6/30/89 and 6/30/90
(000's Omitted)

ASSETS	6/89	6/90	INCREASE DECREASE
Cash and Balances Due From Depository Institutions:			
Noninterest–Bearing Balances and Currency & Coin	$ 439,165	$ 501,262	$ 62,097
Interest–Bearing Balances	75,184	43,688	(31,496)
Securities	1,100,064	1,315,381	215,317
Fed. Funds Sold & Sec. Purchased Under Agree. to Resell	180,251	174,806	(5,445)
Loans and Lease Financing Receivables:			
Loans and Leases, Net of Unearned Income	3,984,250	4,514,623	530,373
Less: Allowance for Loan and Lease Losses	64,730	69,082	4,352
Less: Allocated Transfer Risk Reserve	–0–	–0–	–0–
Loans & Leases, Net of Unearned Inc., Allow., & Reserve	3,919,520	4,445,541	526,021
Assets Held in Trading Accounts	396	31	(365)
Premises and Fixed Assets (Including Capitalized Leases)	84,876	90,256	5,380
Other Real Estate Owned	9,316	4,565	(4,751)
Investments in Unconsolidated Subsidiaries & Associated Co's	19	–0–	(19)
Customers Liability to this Bank on Acceptances Outstanding	500	1,562	1,062
Intangible Assets	–0–	7,595	7,595
Other Assets	99,037	122,938	23,901
TOTAL ASSETS	$ 5,908,328	$ 6,707,625	$ 799,297
LIABILITIES			
Deposits:			
In Domestic Offices	$ 4,681,394	$ 5,175,973	$ 494,579
Noninterest–Bearing	777,002	868,496	91,494
Interest–Bearing	3,904,392	4,307,477	403,085
Fed. Funds Purchased & Sec. Sold Under Agreements to Repurch.	616,082	870,827	254,745
Demand Notes Issued to the U.S. Treasury	119,246	155,955	36,709
Other Borrowed Money	669	500	(169)
Mortgage Indebtedness & Obligations Under Capitalized Leases	2,611	2,208	(403)
Bank's Liability on Acceptances Executed and Outstanding	500	1,562	1,062
Notes and Debentures Subordinated to Deposits	9,234	9,042	(192)
Other Liabilities	57,566	56,966	(600)
TOTAL LIABILITIES	$ 5,487,302	$ 6,273,033	$ 785,731
Limited–Life Preferred Stock	–0–	–0–	–0–
EQUITY CAPITAL			
Perpetual Preferred Stock	$ –0–	$ –0–	$ –0–
Common Stock	42,586	42,664	78
Surplus	193,073	193,658	585
Undivided Profits and Capital Reserves	185,367	198,270	12,903
TOTAL EQUITY CAPITAL	$ 421,026	$ 434,592	$ 13,566
TOTAL LIABILITIES, LIMITED–LIFE PREFERRED STOCK, & EQUITY CAPITAL	$ 5,908,328	$ 6,707,625	$ 799,297

Banks: 6
Branches: 194 (Includes Bank Facilities)
Total Offices: 200

JUNE 30, 1990
AMERICAN BANK OF COMMERCE
BOISE, IDAHO
Charter No. 235
Incorporated May 24, 1976

President & CEO, William T. Speer, Jr.
Vice President, Dale Miller
Vice President, Lanette Marcum
Vice President, Dave Short
Comptroller, Heidi Finnegan

DIRECTORS:
Loren Blickenstaff,
Jerry L. Caven, Dallas H. Harris,
James B. Lyons,
William T. Speer, Jr.,
T. W. Stivers, Larry Williams.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 4,168
Interest–Bearing Balances		2,772
Securities		1,639
Federal Funds Sold & Securities Purchased Under Agreements to Resell		6,800
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	37,821	
Less: Allowance for Loan and Lease Losses	472	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 37,349
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		828
Other Real Estate Owned		461
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		1,300
TOTAL ASSETS		$ 55,317

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 44,555
Noninterest–Bearing	11,778	
Interest–Bearing	32,777	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		5,184
Demand Notes Issued to the U.S. Treasury		606
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		–0–
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		503
TOTAL LIABILITIES		$ 50,848

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	1,035
Surplus	2,867
Undivided Profits and Capital Reserves	567
TOTAL EQUITY CAPITAL	$ 4,469
TOTAL LIABILITIES AND EQUITY CAPITAL	$ 55,317

JUNE 30, 1990
THE BANK OF COMMERCE
IDAHO FALLS, IDAHO
Charter No. 225
Incorporated March 30, 1959

Vice Chairman & CEO, Richard N. Adams
President, Julian G. Cowley
Exec. Vice President, Thomas R. Tucker
Cashier, Aldon Tyler

DIRECTORS:
Richard N. Adams,
W. E. Arrington, Gale W. Clement,
John W. Erb, Delbert V. Groberg,
L. F. "Bish" Jenkins,
Wallace Reed.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 10,485
Interest–Bearing Balances		–0–
Securities		79,996
Federal Funds Sold & Securities Purchased Under Agreements to Resell		9,100
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	71,905	
Less: Allowance for Loan and Lease Losses	417	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 71,488
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		3,031
Other Real Estate Owned		99
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		2,580
TOTAL ASSETS		**$ 176,779**

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 152,080
Noninterest–Bearing	21,641	
Interest–Bearing	130,439	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		2,656
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		–0–
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		1,461
TOTAL LIABILITIES		**$ 156,197**

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	600
Surplus	6,900
Undivided Profits and Capital Reserves	13,082
TOTAL EQUITY CAPITAL	**$ 20,582**
TOTAL LIABILITIES AND EQUITY CAPITAL	**$ 176,779**

JUNE 30, 1990
THE BANK OF EASTERN IDAHO
IDAHO FALLS, IDAHO
Charter No. 240
Incorporated September 13, 1985

President & CEO, William F. Rigby
Executive Vice President, Vern H. Nelson
Vice President, Garth Winter
Cashier, Susan N. Barnes

DIRECTORS:
Henry H. Bennett, William J. DeMott,
Ralph M. Hartwell, Harold L. Latin,
Robert L. Ovard, Charles M. Rice,
William F. Rigby,
Fred T. Thompson, Jr.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 987
Interest–Bearing Balances		1,385
Securities		5,781
Federal Funds Sold & Securities Purchased Under Agreements to Resell		–0–
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	15,792	
Less: Allowance for Loan and Lease Losses	259	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 15,533
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		127
Other Real Estate Owned		–0–
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		486
TOTAL ASSETS		$ 24,299

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 21,954
Noninterest–Bearing	3,033	
Interest–Bearing	18,921	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		332
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		–0–
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		189
TOTAL LIABILITIES		$ 22,475

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	1,196
Surplus	539
Undivided Profits and Capital Reserves	89
TOTAL EQUITY CAPITAL	$ 1,824
TOTAL LIABILITIES AND EQUITY CAPITAL	$ 24,299

JUNE 30, 1990
D. L. EVANS BANK
BURLEY, IDAHO
Charter No. 26
Incorporated August 23, 1904

President, John V. Evans, Sr.
Chief Executive Officer, John V. Evans, Jr.
Cashier, Marvin Lentini

DIRECTORS:
David L. Evans, DeLell Evans,
Donald S. Evans, Sr., John V. Evans, Sr.,
John V. Evans, Jr., Larry Evans,
Paula Evans, Martha Gilgen,
Jim Lynch, Glen R. Kunau.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 780
Interest–Bearing Balances		–0–
Securities		5,511
Federal Funds Sold & Securities Purchased Under Agreements to Resell		1,150
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	38,440	
Less: Allowance for Loan and Lease Losses	379	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 38,061
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		426
Other Real Estate Owned		–0–
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		1,030
TOTAL ASSETS		$ 46,958

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 43,517
Noninterest–Bearing	5,427	
Interest–Bearing	38,090	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		–0–
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		–0–
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		469
TOTAL LIABILITIES		$ 43,986

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	600
Surplus	1,700
Undivided Profits and Capital Reserves	672
TOTAL EQUITY CAPITAL	$ 2,972
TOTAL LIABILITIES AND EQUITY CAPITAL	$ 46,958

JUNE 30, 1990
FARMERS & MERCHANTS STATE BANK
MERIDIAN, IDAHO
Charter No. 228
Incorporated September 20, 1967

President & CEO, Clarence Jones
Vice President & Cashier, Jo Ann Myers

DIRECTORS:
Royce Chigbrow,
J. Michael Gwartney,
Clarence Jones,
C. L. "Butch" Otter,
Jim R. Reed.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 1,535
Interest–Bearing Balances		–0–
Securities		2,500
Federal Funds Sold & Securities Purchased Under Agreements to Resell		3,150
Loans and Lease Financing Receivables.		
Loans and Leases, Net of Unearned Income	15,731	
Less: Allowance for Loan and Lease Losses	297	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 15,434
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		181
Other Real Estate Owned		–0–
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		342
TOTAL ASSETS		**$ 23,142**

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 22,047
Noninterest–Bearing	4,201	
Interest–Bearing	17,846	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		–0–
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		–0–
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		316
TOTAL LIABILITIES		**$ 22,363**

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	1,500
Surplus	2,035
Undivided Profits and Capital Reserves	(2,756)
TOTAL EQUITY CAPITAL	**$ 779**
TOTAL LIABILITIES AND EQUITY CAPITAL	**$ 23,142**

JUNE 30, 1990
IDAHO STATE BANK
GLENNS FERRY, IDAHO
Charter No. 21
Incorporated February 17, 1904

President & CEO, James E. Kevan
Chief Financial Officer, John Monroe

DIRECTORS:
Carl Agenbroad,
James E. Kevan,
Winston Lauder,
Marion Pugmire,
Robert W. Reed.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 2,601
Interest–Bearing Balances		–0–
Securities		8,275
Federal Funds Sold & Securities Purchased Under Agreements to Resell		6,124
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	25,008	
Less: Allowance for Loan and Lease Losses	497	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 24,511
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		1,016
Other Real Estate Owned		988
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		839
TOTAL ASSETS		$ 44,354

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 41,311
Noninterest–Bearing	6,345	
Interest–Bearing	34,966	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		–0–
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		242
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		182
TOTAL LIABILITIES		$ 41,735

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ 800
Common Stock	450
Surplus	6,260
Undivided Profits and Capital Reserves	(4,891)
TOTAL EQUITY CAPITAL	$ 2,619
TOTAL LIABILITIES AND EQUITY CAPITAL	$ 44,354

JUNE 30, 1990
IRELAND BANK
MALAD, IDAHO
Charter No. 7
Incorporated December 8, 1892

President & CEO, R. Blair Hawkes
Vice President & Manager, Loyd W. Briggs
Vice President & Cashier, Terrill Schwartz

DIRECTORS:
Timothy P. Deeg,
R. Blair Hawkes,
David G. Jenkins, Jeanne N. Jenkins,
Mary Jane Jenkins,
Randon W. Wilson.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 907
Interest–Bearing Balances		396
Securities		17,453
Federal Funds Sold & Securities Purchased Under Agreements to Resell		1,150
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	21,335	
Less: Allowance for Loan and Lease Losses	304	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 21,031
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		390
Other Real Estate Owned		348
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		980
TOTAL ASSETS		$ 42,655

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 38,924
Noninterest–Bearing	5,196	
Interest–Bearing	33,728	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		–0–
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		–0–
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		420
TOTAL LIABILITIES		$ 39,344

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	301
Surplus	1,679
Undivided Profits and Capital Reserves	1,331
TOTAL EQUITY CAPITAL	$ 3,311
TOTAL LIABILITIES AND EQUITY CAPITAL	$ 42,655

JUNE 30, 1990
KEY BANK OF IDAHO
BOISE, IDAHO
Charter No. 208
Incorporated December 21, 1933

President & CEO, Edmund J. Keane, Jr.
Exec. Vice President, John C. Shackelford
Sr. Vice President & CFO, Eldon K. Crockett
Sr. Vice President, Orin M. Robinson
Sr. Vice President, Kershasp N. Pundole

DIRECTORS:
Ted E. Ellis,
Susan G. Hemingway, C. E. Hill,
Edmund J. Keane, Jr., Robert J. O'Connor,
James H. Roper, Maurice P. Shea,
J. Kirk Sullivan, Donald A. Turner,
Paul J. Villano, Charles H. Wilson.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 51,225
Interest–Bearing Balances		–0–
Securities		90,648
Federal Funds Sold & Securities Purchased Under Agreements to Resell		–0–
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	514,696	
Less: Allowance for Loan and Lease Losses	10,357	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 504,339
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		11,643
Other Real Estate Owned		838
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		154
Other Assets		23,419
TOTAL ASSETS		$ 682,266

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 583,679
Noninterest–Bearing	100,938	
Interest–Bearing	482,741	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		44,763
Demand Notes Issued to the U.S. Treasury		5,096
Other Borrowed Money		457
Mortgage Indebtedness and Obligations Under Capitalized Leases		681
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		4,954
TOTAL LIABILITIES		$ 639,630

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	3,084
Surplus	28,040
Undivided Profits and Capital Reserves	11,512
TOTAL EQUITY CAPITAL	$ 42,636
TOTAL LIABILITIES AND EQUITY CAPITAL	$ 682,266

JUNE 30, 1990
NORTHERN STATE BANK
COEUR D'ALENE, IDAHO
Charter No. 236
Incorporated July 28, 1978

President & CEO, Parker G. Woodall
Exec. Vice President, T. R. Lloyd
Vice President & Cashier, Barry L. Redd

DIRECTORS:
Richard G. Bennett,
Harold L. Damiano,
Thomas L. Perko, J. A. Robideaux, Sr.,
Peter F. Stanton,
Parker G. Woodall.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 3,338
Interest–Bearing Balances		8,319
Securities		3,845
Federal Funds Sold & Securities Purchased Under Agreements to Resell		–0–
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	45,496	
Less: Allowance for Loan and Lease Losses	624	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 44,872
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		266
Other Real Estate Owned		–0–
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		771
TOTAL ASSETS		**$ 61,411**

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 55,268
Noninterest–Bearing	5,233	
Interest–Bearing	50,035	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		1,588
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		–0–
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		826
TOTAL LIABILITIES		**$ 57,682**

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	835
Surplus	2,665
Undivided Profits and Capital Reserves	229
TOTAL EQUITY CAPITAL	**$ 3,729**
TOTAL LIABILITIES AND EQUITY CAPITAL	**$ 61,411**

JUNE 30, 1990
PANHANDLE STATE BANK
SANDPOINT, IDAHO
Charter No. 238
Incorporated December 19, 1980

President & CEO, C. L. Bauer
Sr. Vice President & Cashier, David W. Smith
Sr. Vice President, David O. Jensen

DIRECTORS:
C. L. Bauer, J. T. Diehl,
Robert Farmin, Wray D. Farmin, Jr.,
James B. Fenton, Pierre Huguenin,
Terry L. Merwin, John B. Parker,
Michael J. Romine, Douglas P. Ward.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 1,245
Interest–Bearing Balances		695
Securities		6,504
Federal Funds Sold & Securities Purchased Under Agreements to Resell		975
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	17,344	
Less: Allowance for Loan and Lease Losses	318	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 17,026
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		746
Other Real Estate Owned		37
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		323
TOTAL ASSETS		**$ 27,551**

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 24,908
Noninterest–Bearing	3,710	
Interest–Bearing	21,198	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		–0–
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		–0–
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		323
TOTAL LIABILITIES		**$ 25,231**

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	1,416
Surplus	523
Undivided Profits and Capital Reserves	381
TOTAL EQUITY CAPITAL	**$ 2,320**
TOTAL LIABILITIES AND EQUITY CAPITAL	**$ 27,551**

JUNE 30, 1990
SEAPORT CITIZEN'S BANK
LEWISTON, IDAHO
Charter No. 237
Incorporated August 6, 1979

President & CEO, Kenneth O. Truesdell
Vice President, Jim Uhlman
Cashier, Nadine McCann

DIRECTORS:
Richard G. Bennett, Harold L. Damiano,
Thomas L. Perko, J. A. Robideaux, Sr.,
Peter F. Stanton, Kenneth O. Truesdell,
Parker G. Woodall.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 586
Interest–Bearing Balances		7,623
Securities		1,189
Federal Funds Sold & Securities Purchased Under Agreements to Resell		1,171
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	10,752	
Less: Allowance for Loan and Lease Losses	138	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 10,614
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		361
Other Real Estate Owned		–0–
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		173
TOTAL ASSETS		$ 21,717

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 20,063
Noninterest–Bearing	1,851	
Interest–Bearing	18,212	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		–0–
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		–0–
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		286
TOTAL LIABILITIES		$ 20,349

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	1,010
Surplus	255
Undivided Profits and Capital Reserves	103
TOTAL EQUITY CAPITAL	$ 1,368
TOTAL LIABILITIES AND EQUITY CAPITAL	$ 21,717

JUNE 30, 1990
SECURITY STATE BANK
CHUBBUCK, IDAHO
Charter No. 231
Incorporated November 27, 1973

President & CEO, Keith O. Lytle
Cashier, Max L. Hemmert

DIRECTORS:
Clair Chadwick,
Ken Corbett,
Harold Furness,
Claude Mendenhall,
Don H. Shuler.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 986
Interest–Bearing Balances		1,709
Securities		6,330
Federal Funds Sold & Securities Purchased Under Agreements to Resell		1,340
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	5,998	
Less: Allowance for Loan and Lease Losses	333	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 5,665
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		322
Other Real Estate Owned		88
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		383
TOTAL ASSETS		**$ 16,823**

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 15,115
Noninterest–Bearing	2,655	
Interest–Bearing	12,460	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		–0–
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		42
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		84
TOTAL LIABILITIES		**$ 15,241**

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	400
Surplus	1,200
Undivided Profits and Capital Reserves	(18)
TOTAL EQUITY CAPITAL	**$ 1,582**
TOTAL LIABILITIES AND EQUITY CAPITAL	**$ 16,823**

JUNE 30, 1990
TREASURE VALLEY BANK
FRUITLAND, IDAHO
Charter No. 241
Incorporated April 1, 1974

President & CEO, Patrick W. Wisman
Executive Vice President, William Pratt
Chairman, James H. McLaughlin
Vice Chairman, Judith E. Yankovic
Vice President & Cashier, David P. Cox

DIRECTORS:
Arthur Berry, Loren B. Ellis,
Robert Koontz, James H. McLaughlin,
E. A. Radke, Ron Sali,
Patrick W. Wisman,
Judith E. Yankovic.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 2,768
Interest–Bearing Balances		10
Securities		6,374
Federal Funds Sold & Securities Purchased Under Agreements to Resell		6,700
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	62,547	
Less: Allowance for Loan and Lease Losses	1,253	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 61,294
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		3,193
Other Real Estate Owned		992
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		1,537
TOTAL ASSETS		$ 82,868

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 75,417
Noninterest–Bearing	6,624	
Interest–Bearing	68,793	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		3,000
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		153
Mortgage Indebtedness and Obligations Under Capitalized Leases		101
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		361
TOTAL LIABILITIES		$ 79,032

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	805
Surplus	8,724
Undivided Profits and Capital Reserves	(5,693)
TOTAL EQUITY CAPITAL	$ 3,836
TOTAL LIABILITIES AND EQUITY CAPITAL	$ 82,868

JUNE 30, 1990
TRI–STATE BANK & TRUST
MONTPELIER, IDAHO
Charter No. 230
Incorporated July 18, 1973

President & CEO, Ronald O. Peterson
Vice President, Kenneth E. Transtrum

DIRECTORS:
Clair Chadwick,
M. Jay Meyers,
Gerald E. Phelps,
DeMar Romrell,
Dean Smith.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 874
Interest–Bearing Balances		1,959
Securities		8,494
Federal Funds Sold & Securities Purchased Under Agreements to Resell		250
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	7,145	
Less: Allowance for Loan and Lease Losses	179	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 6,966
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		144
Other Real Estate Owned		86
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		288
TOTAL ASSETS		**$ 19,061**

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 17,471
Noninterest–Bearing	2,452	
Interest–Bearing	15,019	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		–0–
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		–0–
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		134
TOTAL LIABILITIES		**$ 17,605**

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	330
Surplus	909
Undivided Profits and Capital Reserves	217
TOTAL EQUITY CAPITAL	**$ 1,456**
TOTAL LIABILITIES AND EQUITY CAPITAL	**$ 19,061**

JUNE 30, 1990
VALLEY BANK
IDAHO FALLS, IDAHO
Charter No. 233
Incorporated December 17, 1974

Chairman & President, R. James Meikle
Vice Chairman, Steve M. Meikle
Sr. Vice President & Cashier, Doyle A. McKenna
Sr. Vice Pres. & Chief Financial Officer, Dale Smith

DIRECTORS:
Jack Allred, William J. Hunter,
Jack K. Meikle, R. James Meikle,
Steve M. Meikle, Laurel W. Murphy,
Delmar H. Raybould, Ray W. Rigby,
James Siddoway,
D. Ray Taylor.

ASSETS
(000's Omitted)

Cash and Balances Due From Depository Institutions:		
Noninterest–Bearing Balances and Currency & Coin		$ 10,940
Interest–Bearing Balances		1,500
Securities		69,597
Federal Funds Sold & Securities Purchased Under Agreements to Resell		10,100
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	121,897	
Less: Allowance for Loan and Lease Losses	3,089	
Loans and Leases, Net of Unearned Inc., Allowances, & Reserve		$ 118,808
Assets Held in Trading Accounts		–0–
Premises and Fixed Assets (Including Capitalized Leases)		6,557
Other Real Estate Owned		3,325
Investments in Unconsolidated Subsidiaries & Associated Co's		–0–
Customers Liability to this Bank on Acceptances Outstanding		–0–
Intangible Assets		–0–
Other Assets		5,810
TOTAL ASSETS		$ 226,637

LIABILITIES
(000's Omitted)

Deposits:		
In Domestic Offices		$ 205,862
Noninterest–Bearing	33,839	
Interest–Bearing	172,023	
Federal Funds Purchased & Securities Sold Under Agreements to Repurchase		4,808
Demand Notes Issued to the U.S. Treasury		–0–
Other Borrowed Money		–0–
Mortgage Indebtedness and Obligations Under Capitalized Leases		1,190
Bank's Liability on Acceptances Executed and Outstanding		–0–
Notes and Debentures Subordinated to Deposits		–0–
Other Liabilities		2,200
TOTAL LIABILITIES		$ 214,060

EQUITY CAPITAL
(000's Omitted)

Perpetual Preferred Stock	$ –0–
Common Stock	1,000
Surplus	13,250
Undivided Profits and Capital Reserves	(1,673)
TOTAL EQUITY CAPITAL	$ 12,577
TOTAL LIABILITIES AND EQUITY CAPITAL	$ 226,637

JUNE 30, 1990
UNITED SAVINGS AND LOAN ASSOCIATION
OGDEN, UTAH
(Idaho Office Only)

ASSETS
(000's Omitted)

Mortgage Loans Outstanding		$ 6,703
Loans Secured by Savings Accounts		156
Other Loans		4,698
Foreclosed Real Estate		-0-
Stock in Federal Home Loan Bank		62
Cash on Hand and Demand Accounts		36
Investment Securities		16
Fixed Assets:		
Office Premises Owned	-0-	
Furniture, Fixtures & Equipment	-0-	
Leasehold Improvements	60	
Less: Depreciation Allowance	47	13
Accrued Interest		36
Hydro-Electric Plant	1,677	
Less: Accumulated Depreciation	419	1,258
Other Assets		10,800
TOTAL ASSETS		**$ 23,778**

LIABILITIES
(000's Omitted)

Deposits	$ 22,152
Loans in Process	537
Tax and Insurance Reserves	25
Hydro-Electric Plant Operating & Maintenance Reserve	64
TOTAL LIABILITIES	**$ 22,778**

NET WORTH
(000's Omitted)

Allocated Reserves	$ 1,000
TOTAL NET WORTH	**$ 1,000**
TOTAL LIABILITIES AND NET WORTH	**$ 23,778**

BRANCH: Idaho Falls, Idaho

BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATIONS

A new form of financial institution was approved by the state legislature with the enactment of the Business and Industrial Development Corporation Act, which became law on July 1, 1989. The purpose of this Act is to promote economic development by encouraging the formation of business and industrial development corporations (BIDCOs) to help meet the financing and management assistance needs of new or expanding companies, generally in coordination with the Small Business Administration and other federal assistance programs, as well as traditional commercial lending institutions. The new law is expected to increase the level and quality of financial services available to Idaho's small business community.

During 1989, The Idaho Company, headquarted in Boise, became the first licensed BIDCO in the state. Pursuant to the reporting requirements of Section 26–2707, IDAHO CODE, the following BIDCO activity occurred for the year ending June 30, 1990:

- Number and dollar amount of financing assistance provided to business firms:

5	$ 5,688,615

- Number and dollar amount of financing assistance provided by category:

1	Nursing Home/Retirement Center	$ 3,500,000
1	Toy Manufacturing	38,615
1	Land Development	300,000
1	Transportation	1,450,000
1	Manufacturing & Distribution	400,000

- Number and dollar amount of financing assistance provided to minority–owned business firms:

  None

- Number and dollar amount of financing assistance provided to woman–owned business firms:

1	$ 400,000

- Estimated number of jobs created or retained:

  162 full–time 75 part–time

- Estimate of number and dollar amount of financing assistance or investments in licensed BIDCOs by state or federal agency, or public or quasi–public entities:

4	$ 3,450

JUNE 30, 1990
THE IDAHO COMPANY
BOISE, IDAHO
License No. 1
Incorporated July 11, 1989

DIRECTORS:

President & CEO, Eugene D. Heil

William Bridenbaugh, John Church, Dennis Curtis,
Judd DeBoer, Ted E. Ellis, Kirk Hansen, Art E. Helbling,
Eugene D. Heil, Carl E. Hill, Sumner Johnson,
David O. Kingston, Lawrence H. Kissler, Harry F. Magnuson,
Tony Moss, Jack Muldoon, Robert J. O'Connor,
Thomas R. Paine, Jack Shaver, Richard D. Westerberg.

ASSETS

	12/31/89	6/30/90
CURRENT ASSETS:		
Cash	$ 81,354	$ 101,503
Certificates of Deposit	1,195,793	1,192,335
Interest Receivable	19,445	35,958
Accounts Receivable	275	
Loans Receivable	109,910	123,787
Loan Loss Allowance	(2,330)	(3,080)
Prepaid Expenses	441	950
Total Current Assets	$ 1,404,888	$ 1,451,453
ORGANIZATION COSTS, NET	94,798	80,925
OFFICE EQUIPMENT, NET	11,212	10,467
TOTAL ASSETS	$ 1,510,898	$ 1,542,845

LIABILITIES & STOCKHOLDERS' EQUITY

	12/31/89	6/30/90
CURRENT LIABILITIES:		
Accrued Other Expense	$ 2,100	$ –0–
Current Portion of NOte Payable	23,872	24,904
Payroll Tax Payable	644	434
Total Current Liabilities	$ 26,616	$ 25,338
NOTE PAYABLE	78,159	64,336
STOCKHOLDERS' EQUITY	1,536,330	1,626,930
Common stock, $10.00 par value, 500,000 shares authorized, 137,993 shares issued and outstanding		
Accumulated Deficit	(130,207)	(173,759)
Net Stockholders' Equity	$ 1,406,123	$ 1,453,171
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,510,898	$ 1,542,845

IDAHO STATE CHARTERED CREDIT UNIONS

FIFTY-FIVE YEARS OF PROGRESS

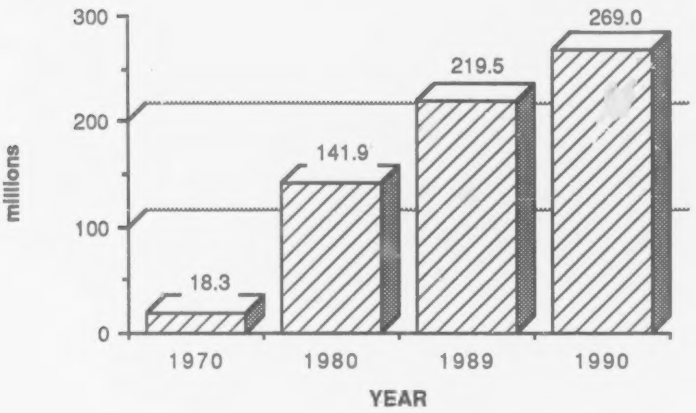
The Idaho Credit Union Act was passed in 1935, one year after passage of the Federal Credit Union Act in 1934. The Idaho Credit Union Act placed a maximum par value on shares of ten dollars and made provisions for the purchase of those shares through installments. The maximum allowable interest rates on loans in 1935 was 12%, and dividends on shares could only be paid annually. The 1935 Idaho Credit Union Act required that all entrance fees, fines and twenty percent of net earnings had to be set aside to be used as a reserve against bad loans and could not be distributed except in case of liquidation.

The Idaho Credit Union Act has been frequently amended and recodified over the past 55 years. Today the Act gives credit unions the freedom to offer many additional services to their members while providing a suitable return on the member's investment. Credit unions today can provide share and deposit accounts from which the member may withdraw funds through the use of negotiable instruments, can collect or receive money in connection with sales of travelers' checks, money orders and other such conveniences, and can purchase insurance on the lives of their members.

Four credit unions were chartered by the Department of Finance in 1935 and 1936, and in 1940 the credit union movement was spurred on by the charter of six additional state credit unions. Four of these credit unions are celebrating their golden anniversary this year: Idaho Central Credit Union (the largest state chartered credit union), Employment Security Agency Credit Union, Boise Valley Credit Union (formerly Boise City Credit Union), and Boise Fire Department Credit Union.

Credit unions continued to experience slow but steady growth for the next thirty five years, reaching $18,300,000 in assets by 1970. However, a major legislative change in the 1970's, the enactment of the share insurance provision of the Federal Credit Union Act led to a period of unparalleled growth. As noted on the graph below, assets increased from $18.3 million in 1970 to $269 million in 1990.

CREDIT UNION ASSET GROWTH



Mergers have decreased the number of credit unions during the decade of the eighties. However, due largely to increased service, membership during this period grew to 89,000 members.

For Fiscal Year 1990, credit unions had increases of nearly 10% in member savings and assets. Asset growth was 8.9% and membership savings showed a pronounced increase from $147,164,108 to $163,015,415, a 9.7% increase. The most marked growth was found in retained earnings, up 11.75% over the previous year. The number of natural person credit unions dropped slightly, due to mergers, from 55 to 53. Mountain West Trade Credit Union merged with Idaho Central Credit Union, and Treasure Valley Teachers merged with Capital Educators Federal Credit Union.

Although Idaho state chartered credit unions have seen rapid growth in the last 20 years, they have not lost sight of their reason for being — to encourage thrift among members who have a meaningful common bond and to ensure that members of small means have access to credit and basic financial services. This philosophy will ensure the life of the credit union movement.

STATE CHARTERED CREDIT UNIONS
STATE OF IDAHO
June 30, 1990

BLACKFOOT		ASSETS
Blackfoot Teachers	$	1,159,520.00
Snake River Teachers		1,209,600.00
BOISE		
Boise Automotive		75,074.00
Boise Cascade Corporation Employees		4,422,909.00
Boise Fire Department		1,379,403.00
Boise Valley		667,117.00
Employment Security Agency		3,031,648.00
Farmer Oil		17,234.00
St. Alphonsus Employees		656,485.00
St. Luke's		2,397,008.00
Western Equipment Company		419,593.00
BURLEY		
Cassia County Education		891,869.00
Mini–Cassis Employees		358,840.00
Ore–Ida Employees		448,606.00
Simcoe		3,305,133.00
CALDWELL		
Canyon County Grange		834,409.00
Canyon Medical Health		5,256,650.00
Simplot Employees		9,252,096.00
COEUR D'ALENE		
Coeur D'Alene Teachers		4,218,342.00
Public Employees		3,516,703.00
CRAIGMONT		
Craigmont		104,647.00
GRANGEVILLE		
Camas		630,417.00
Pine Tree		2,775,981.00
HEADQUARTERS		
Headquarters		408,010.00

	ASSETS
IDAHO FALLS	
Idaho Falls Teachers	5,941,304.00
Medical and Professional	17,314,388.00
INKOM	
Inkom Cement Employees	794,105.00
KAMIAH	
Kamiah Community	4,993,194.00
LEWISTON	
Clearwater	14,828,889.00
Lewiston Catholic	341,502.00
Tribune	739,027.00
NAMPA	
Canco	1,340,518.00
Canyon Teachers	2,037,363.00
Producers Supply	2,377,665.00
Quinco	3,072,799.00
NEZ PERCE	
Nez Perce	129,658.00
OROFINO	
Orofino Community	2,849,871.00
PIERCE	
White Pine	1,471,997.00
PINEHURST	
Shoshone County School Employees	368,368.00
POCATELLO	
I.B.E.W. # 449	247,745.00
Idaho Central	51,511,879.00
Pocatello Simplot	10,747,515.00
REXBURG	
Madison Teachers	933,803.00

		ASSETS
RIGBY		
Jefferson County Public Employees		395,094.00
RUPERT		
Minico		279,402.00
Minidoka County Teachers Association		202,620.00
ST. MARIES		
St. Joe Valley Public Employees		2,959,367.00
SHELLEY		
Shell–Fir		619,853.00
SUN VALLEY		
Sun Valley Community		398,362.00
TWIN FALLS		
Magic Valley Memorial Hospital		785,655.00
Magic Valley Teachers		344,639.00
Times–News Employees		267,729.00
UCON		
East Bonneville		496,340.00
SUBTOTAL	$	**176,227,945.00**
IDAHO CORPORATE		92,805,894.00
TOTAL	$	**269,033,839.00**

Percent of Increase in Assets, Excluding Idaho Corporate	**9.9 %**
Percent of Increase in Assets, Including Idaho Corporate	**22.5 %**

STATE OF IDAHO
STATE CHARTERED CREDIT UNIONS*
CONSOLIDATED STATEMENT
June 30, 1990

DELINQUENT LOANS

2 to Less than 6 Months Delinquent	$ 1,514,981
6 to Less than 12 Months Delinquent	511,283
12 Months and Over Delinquent	693,605
TOTAL DELINQUENT LOANS	$ 2,719,869

ASSETS

Cash		$ 8,455,068
Unsecured Loans	$ 18,300,424	
New Auto Loans	26,938,387	
First Mortgage Real Estate	11,972,001	
Other Real Estate	3,620,428	
All Other Loans to Members	68,085,491	
Other Loans	898	
TOTAL LOANS		128,917,629
Allowance For Loan Losses		(2,110,460)
U. S. Government Obligations		-0-
Corporate Central Credit Unions		28,163,234
Commercial Banks		4,707,180
Savings & Loans and Mutual Savings Banks		300,000
NCUA Share Insurance Capitalization Fund		996,449
Non-NCUA Insurance Capitalization Fund		617,373
Credit Unions		272,731
Other Investments		6,529
Land and Building		3,726,025
Other Fixed Assets		766,065
Other Assets		1,410,122
TOTAL ASSETS		**$176,227,945**

LIABILITIES & EQUITY

Promissory Notes		$ 34,391
Other Notes Payable & Interest on Notes Payable		168,136
Accounts Payable		478,139
Interest Payable on Deposits & Accrued Dividends Payable on Shares		1,530,353
Share Certificates	$ 33,635,179	
Share Drafts	14,496,899	
IRA/KEOGH & Retirement Accounts	14,417,185	
All Other Shares	100,465,152	
TOTAL SHARES		163,014,415
Non-Member Deposits	$ -0-	
TOTAL SHARES & DEPOSITS		163,014,415
Other Reserves		3,309,513
Undivided Earnings		7,692,998
TOTAL LIABILITIES & EQUITY		**$176,227,945**

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*Excludes Idaho Corporate Credit Union

IDAHO CORPORATE CREDIT UNION
STATE OF IDAHO
June 30, 1990

ASSETS

Total Loans	$ 1,156,047
Cash	2,950,898
Corporate Central Credit Unions	85,578,945
Non–NCUA Insurance Capitalization Deposits	157,272
Other Investments	1,750,875
Land and Building	205,897
Other Fixed Assets	77,534
Other Assets	928,426
TOTAL ASSETS	**$ 92,805,894**

LIABILITIES & EQUITY

Reverse Repurchase Agreements		131,492
Other Notes Payable & Interest on Notes Payable		$ 2,394,872
Interest Payable & Accrued Dividends Payable		2,763,962
Share Certificates	$ 31,698,219	
Permanent Capital Shares	9,501,173	
All Other Shares & Deposits	44,274,543	
TOTAL SHARES AND DEPOSITS		85,473,935
Regular Reserves	$ 1,779,868	
Other Reserves	$ 63,516	
Undivided Earnings	$ 198,249	2,041,633
TOTAL LIABILITIES & EQUITY		**$ 92,805,894**

IDAHO CREDIT CODE AND COLLECTION AGENCIES

THE CENTENNIAL AND CONSUMER CREDIT

Over the last 100 years, consumer credit has come a long way in Idaho and the nation. Many believe that the advent of consumer or, more appropriately, installment credit owes its origin to our pioneer mothers and their efforts to clothe their families. It all started with something we now take for granted — the sewing machine, or more specificially, the Singer sewing machine. The introduction of the Singer sewing machine in the 1850's when Idaho was yet to become a territory was a godsend to the American housewife. But in a time when most American families earned less in a year than the present day cost of a portable TV, who could afford to buy this marvelous invention? The problem of cost was solved by the inventive Mr. Singer when he offered his machine to housewives on the installment plan, or sew now – pay later.

The next major advance in consumer credit came bumping down early Idaho roads with the automobile. By the second decade of this century, Detroit had mastered the production line and mass production but, as with the sewing machine 50 years earlier, who could afford to buy the product? Once again the answer was credit and, since no one else was available or had the courage to extend such credit, Detroit did the job. Therefore, the present–day Ford Motor Credit, General Motors Acceptance and Chrysler Credit were companies born to meet the credit needs of the American consumer.

The 1943 session of the Idaho Legislature enacted a "Small Loan Act," which for the first time required licensing of finance companies. Prior to 1943, we know very little about finance company activity in Idaho. Of the original 10 applicants for licensing in 1943, only one company, Jack Murdoch Finance, still exists under the same trade name and ownership. Murdoch Finance is now run by Jack's son, Bruce, and is the only full service active finance company in the state with local ownership. Of the original ten companies, five were located in Boise, two in Nampa, and one each in Idaho Falls, Pocatello and Weiser. With the advent of the Small Loan Act, Idaho finance companies formed the Idaho Association of Small Loan Companies. At the Association's Second Annual Convention, held at the Bannock Hotel in Pocatello on June 24, 1944, Idaho Commissioner of Finance, the Honorable Griffith L. Jenkins, reported that licensees had increased to 18. Mr. Jenkins also stated that the first annual report would show that total loans held by finance companies as of December 31, 1943 totaled $979,722.03. At the recent 47th Annual Convention in Sun Valley of the Association, now known as the Idaho Financial Services Association, the Department reported total finance company loans as of December 31, 1989 to be $236,573,000.00.

Idaho has a very active and healthy Idaho Collectors Association. The Association and its statewide membership are involved in trade and public education. The Collectors Association, as well as the Financial Services Association, subscribe to codes of ethics and standards of business conduct. Both associations are affiliated with their respective national associations. From an historic standpoint, old collectors must be related to old soldiers — they just fade away and in Idaho they have left little or no record. However, we understand that Intermountain Credit of Boise dates back to 1926.

IDAHO CREDIT CODE AND COLLECTION AGENCY DIVISION

The goal of the Idaho Credit Code (ICC) Program is to assure the availability and quality of consumer credit services for Idaho residents. The Department attempts to meet the goals of this program by pursuing the following objectives:

1. Examining certain transactions by regulated lenders for compliance with the ICC and federal laws.
2. Taking action to investigate, evaluate and resolve consumer complaints against regulated lenders and sellers.
3. Licensing and supervising individuals and firms engaged in regulated consumer credit transactions including retailers, auto dealers, professionals, and others offering consumer credit.
4. Educating the public and industry about consumer protection laws and the ICC.

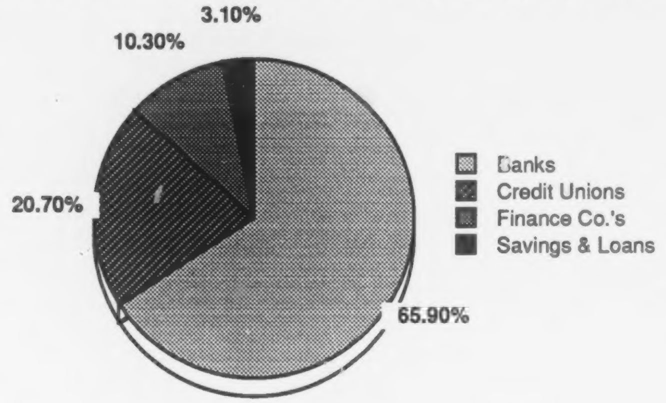
During Fiscal Year 1990, compliance examinations continued in accordance with a two–year cycle to examine all finance companies licensed as regulated lenders, state chartered banks and the larger state chartered credit unions. During the year, 49 field examinations were conducted statewide. The total consumer credit outstanding of regulated lenders in Idaho increased by 12.1%. The regulated lender consumer credit industry in Idaho consists of banks, credit unions, finance companies and savings and loan associations. During Fiscal Year '90 there was a significant shift in consumer credit outstandings among these four industries. One major savings and loan headquartered out of state no longer extends consumer credit, with the result that the outstandings of this industry decreased 21.2%. Finance companies also experienced a decrease, but only 3.4%, due primarily to a loss of "other secured consumer loans" and mortgage secured revolving credit plans. Banks, however, had an across–the–board increase of 12.1% and credit union outstandings grew by 38.7%.

The Department of Finance is also responsible for the administration of the Idaho Collection Agency Law. This law requires third–party debt collectors to obtain a permit before attempting to collect debts for others and prohibits abusive practices by debt collectors. During the last session of the Legislature, the Department assisted with several changes in the Collection Agency Law to modernize some of the language, address industry requests and broaden the scope of the law. With these changes, the Department now has authority to require licensing of credit repair clinics and those who purchase delinquent debts for collection. Both of these activities resulted in abusive practices and enforcement difficulties in the past. Since enactment of these changes, no credit repair clinics have been active in Idaho. Two companies which purchase debts have obtained collection agency permits. A third company that had been the source of many complaints has gone out of business. In October, 1989, the Department obtained a Judgment of Permanent Injunction against CAB Acquisition Corporation (CAB), a nationwide Georgia–based collection agency with an office in Boise. The complaint alleged numerous violations of the Idaho Collection Agency Act, including abusive debt collection practices by debt collectors, failure to license certain individual collectors and failure to maintain books and records as required by Idaho law. The Permanent Injunction prohibits the company from engaging in abusive debt collection practices and orders CAB to comply with Idaho collection agency laws. The Department also issued 37 cease–and–desist letters to out–of–state collection agencies in Fiscal Year '90, ordering them to cease collection activities in Idaho until they were licensed to do so as required by law. The Department also monitors and enforces federal regulations prohibiting unfair and abusive debt collection practices by agencies and collectors. During Fiscal Year '90, the Department responded to 287 consumer complaints, inquiries and requests for explanations involving collection agencies and collection situations.

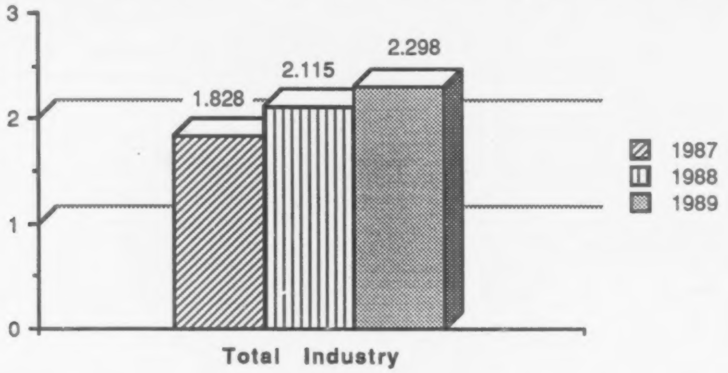
The Centennial Session of the Idaho Legislature also enacted the Mortgage Company Act. This new law authorizes the Department to examine and investigate complaints involving first mortgage and mortgage service companies operating in Idaho. The law also contains specific requirements relating to mortgage reserve accounts and annual statements. It is believed that this new law will aid the Department in addressing first mortgage–related consumer complaints.

In 1986, the scope of the Annual Report was expanded to provide more data from all regulated institutions in the consumer loan industry. Although minor format and content changes were made in the 1987 report, none were added in 1988 and 1989. While some institutions are still experiencing minor problems in gathering all the required information for the expanded report, most of the industry has responded thoroughly and promptly. A composite of all four reporting industries is provided in this report.

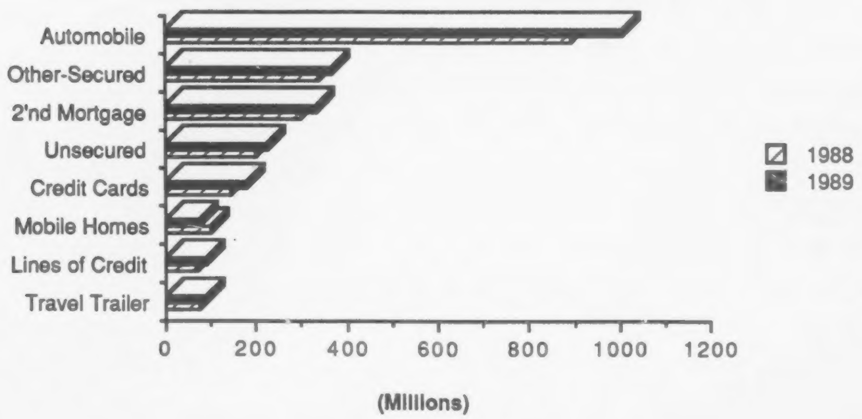
Percentage of Consumer Credit Outstanding by Type of Lender



Total Outstanding Consumer Credit Held by Idaho Lenders



Idaho Consumer Credit by Primary Category



ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989
COMPOSITE OF
FINANCE COMPANIES, BANKS, SAVINGS & LOANS AND CREDIT UNIONS

CONSUMER CREDIT EXTENDED DURING THE YEAR 1989

Rate Range and Size of Credit Extended	Number	Amount	Maximum APR	Average Maximum APR by Lender
a) $2,500 or less	221,756	$ 298,897,000	45.0%	24.9%
b) $2,501 to $5,000	54,636	182,155,000	37.6%	22.5%
c) $5,001 to $10,000	37,718	276,825,000	33.2%	20.9%
d) $10,001 to $25,000	26,983	371,592,000	30.0%	19.4%
e) $25,001 or more	5,265	176,636,000	30.0%	18.3%
f) Total credit extended	346,358	$1,306,105,000		21.2%

Average consumer loan at time made (*amount financed only*) $ 3,770.97

Percentage of the number of loans made covered by insurance which was purchased on behalf of the borrower:	Number	Percentage
a) Credit Life Insurance	89,492	25.8%
b) Health and Accident Insurance	57,176	16.5%
c) Fire or Personal Property Floater	10,577	3.0%
d) Other Additional Charges and/or Premiums	10,874	3.1%

Net losses from Uncollectible Accounts	$ 24,862,000	# 10,415
Total number of debtors filing bankruptcy during period		# 6,438
Total number of repossessions during period		# 3,556
Total number of foreclosures during period		# 228
Total number of legal judgments obtained during period		# 913
Total number of wage garnishments filed during period		# 404
Number of borrowers afforded opportunity to rescind real estate secured transactions during period		# 7,833
Number of borrowers who rescinded real estate secured transactions during period		# 151

Loan fees, if charged —— Min. $ 10.00, Max. $ 900.00, Avg. $ 73.00

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989
COMPOSITE OF
FINANCE COMPANIES, BANKS, SAVINGS & LOANS AND CREDIT UNIONS

DIRECT CONSUMER LOANS MADE DURING PERIOD	NUMBER	DOLLAR AMOUNT
a) Precomputed (*subject to Rule of 78s*)	29,772	$ 69,517,000
b) Interest–bearing (*simple interest*)	177,418	719,129,000
Total Direct Consumer Loans Made During Period	207,190	$ 788,646,000

INDIRECT CONSUMER SALES CONTRACTS PURCHASED DURING PERIOD (*DEALER LOANS*)	NUMBER	DOLLAR AMOUNT
a) Precomputed (*subject to Rule of 78s*)	45,551	$ 142,637,000
b) Interest–bearing (*simple interest*)	23,648	200,680,000
Total Indirect Consumer Sales Contracts Purchased During Period	69,199	$ 343,317,000

CREDIT CARDS & RELATED PLANS EXTENDED	NUMBER	DOLLAR AMOUNT
a) Retail (charge account) credit card plans	32,906	$ 89,162[illegible]
I. Annual Percentage Rate at year end	15.3%	
II. Amount of Annual Membership Fee, if any	$ 12.34	
b) Unsecured revolving credit plans	27,821	$ 37,848,000
I. Annual Percentage Rate at year end	16.2%	
II. Amount of Annual Membership Fee, if any	$ 18.00	
c) Secured revolving credit plans	9,242	$ 47,132,000
I. Annual Percentage Rate at year end	12.4%	
II. Amount of Annual Membership Fee, if any	$ 24.00	
Total Credit Card & Related Plans Extended During Period	69,969	$ 174,142,000
Total Consumer Credit Extended During Period	**346,358**	**$ 1,306,105,000**

OUTSTANDING CONSUMER CREDIT BALANCES AS OF DECEMBER 31, 1989

Delinquency Percentage of Total Outstanding Loans by both Dollar Amount and Number of Loans as of December 31, 1989	Amount	Percent	Number	Percent
Contractually Delinquent for:				
a) 30 to 59 days	$ 35,485,000	1.5%	10,146	1.2%
b) 60 to 89 days	$ 21,636,000	.9%	4,171	.5%
c) 90 days or more	$ 12,995,000	.6%	4,024	.5%
d) Total delinquency	$ 70,116,000	3.0%	18,341	2.2%

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989
COMPOSITE OF
FINANCE COMPANIES, BANKS, SAVINGS & LOANS AND CREDIT UNIONS

DIRECT CONSUMER LOANS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Second mortgage real estate	16,557	$ 212,109,000	13.6%
b) Automobile loans	72,238	375,793,000	15.4%
c) Mobile home loans	5,213	49,227,000	14.8%
d) Travel trailers and RV's	9,160	54,874,000	14.9%
e) Other secured consumer loans	73,658	331,731,000	15.0%
f) Unsecured consumer loans	80,208	218,882,000	17.1%
Total Consumer Outstanding	257,034	$ 1,242,616,000	15.1%

INDIRECT CONSUMER SALES CONTRACTS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Automobile contracts	91,119	$ 628,731,000	15.6%
b) Mobile home contracts	2,267	24,602,000	17.6%
c) Travel trailers and RV's	4,365	33,707,000	13.0%
d) Other secured sales contracts	28,031	35,737,000	16.8%
e) Non–collaterilized sales contracts	4,648	5,489,000	17.2%
Total Indirect Consumer Sales Contracts Outstanding	130,430	$ 728,266,000	16.0%

CREDIT CARDS AND RELATED PLANS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Retail (*charge account*) credit card plans (*Master Card, Visa, etc.*)	279,265	$ 176,216,000	17.2%
b) Unsecured revolving credit plans (*Check Credit, etc.*)	146,483	89,439,000	18.3%
c) Secured revolving credit plans (*Mortgage secured, etc.*)	37,031	122,063,000	13.8%
Total Credit Cards and Related Plans outstanding	462,779	$ 387,718,000	16.4%
LESS UNEARNED (*DISCOUNT*) INCOME		$ 60,019,000	
NET TOTAL CONSUMER LOANS OUTSTANDING			
(Total of sub–totals above less unearned (*discount*) income)	850,243	$ 2,298,581,000	15.7%

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989
BY BANKS

CONSUMER CREDIT EXTENDED DURING THE YEAR 1989

Rate Range and Size of Credit Extended	Number	Amount	Maximum APR	Average Maximum APR by Lender
a) $2,500 or less	72,425	$ 139,704,000	45.0%	22.2%
b) $2,501 to $5,000	25,295	81,768,000	30.0%	18.2%
c) $5,001 to $10,000	24,020	187.485,000	24.9%	17.0%
d) $10,001 to $25,000	19,524	276,596,000	21.0%	15.9%
e) $25,001 or more	2,678	106,013,000	21.0%	13.4%
f) Total credit extended	143,942	$ 791,566,000		17.3%

Average consumer loan at time made (*amount financed only*) $ 6,054.92

Percentage of the number of loans made covered by insurance which was purchased on behalf of the borrower:	Number	Percentage
a) Credit Life Insurance	28,867	28.5%
b) Health and Accident Insurance	15,936	12.4%
c) Fire or Personal Property Floater	2,160	5.0%
d) Other Additional Charges and/or Premiums	3,607	2.2%

Net losses from Uncollectible Accounts	$ 10,203,000	# 4,635
Total number of debtors filing bankruptcy during period		# 3,811
Total number of repossessions during period		# 2,750
Total number of foreclosures during period		# 56
Total number of legal judgments obtained during period		# 269
Total number of wage garnishments filed during period		# 117
Number of borrowers afforded opportunity to rescind real estate secured transactions during period		# 3,626
Number of borrowers who rescinded real estate secured transactions during period		# 3

Loan fees, if charged —— Min. $ 34.00, Max. $ 225.00, Avg. $ 49.00

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989
BY BANKS

DIRECT CONSUMER LOANS MADE DURING PERIOD	NUMBER	DOLLAR AMOUNT
a) Precomputed (*subject to Rule of 78s*)	3	$ 34,000
b) Interest–bearing (*simple interest*)	55,124	334,933,000
Total Direct Consumer Loans Made During Period	55,127	$ 334,967,000

INDIRECT CONSUMER SALES CONTRACTS PURCHASED DURING PERIOD (*DEALER LOANS*)	NUMBER	DOLLAR AMOUNT
a) Precomputed (*subject to Rule of 78s*)	15,628	$ 115,066,000
b) Interest–bearing (*simple interest*)	23,353	200,309,000
Total Indirect Consumer Sales Contracts Purchased During Period	38,981	$ 315,375,000

CREDIT CARDS & RELATED PLANS EXTENDED	NUMBER	DOLLAR AMOUNT
a) Retail (charge account) credit card plans	25,672	$ 77,870,000
I. Annual Percentage Rate at year end	17.9%	
II. Amount of Annual Membership Fee, if any	$ 17.83	
b) Unsecured revolving credit plans	22,463	$ 25,899,000
I. Annual Percentage Rate at year end	17.5%	
II. Amount of Annual Membership Fee, if any	$ 17.75	
c) Secured revolving credit plans	1,699	$ 37,455,000
I. Annual Percentage Rate at year end	11.9%	
II. Amount of Annual Membership Fee, if any	$ 37.00	
Total Credit Card & Related Plans Extended During Period	49,834	$ 141,224,000
Total Consumer Credit Extended During Period	**143,942**	**$ 791,566,000**

OUTSTANDING CONSUMER CREDIT BALANCES AS OF DECEMBER 31, 1989

Delinquency Percentage of Total Outstanding Loans by both Dollar Amount and Number of Loans as of December 31, 1989	Amount	Percent	Number	Percent
Contractually Delinquent for:				
a) 30 to 59 days	$ 17,529,000	1.2%	5,091	.9%
b) 60 to 89 days	$ 4,502,000	.3%	1,521	.3%
c) 90 days or more	$ 2,859,000	.2%	1,051	.2%
d) Total delinquency	$ 24,890,000	1.7%	7,663	1.4%

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989
BY BANKS

DIRECT CONSUMER LOANS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Second mortgage real estate	7,739	$ 79,319,000	12.6%
b) Automobile loans	26,671	151,821,000	12.5%
c) Mobile home loans	3,125	31,687,000	13.3%
d) Travel trailers and RV's	4,731	32,108,000	12.6%
e) Other secured consumer loans	12,951	90,926,000	12.5%
f) Unsecured consumer loans	34,941	139,559,000	13.3%
Total Consumer Outstanding	90,158	$ 525,420,000	12.8%

INDIRECT CONSUMER SALES CONTRACTS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Automobile contracts	89,707	$ 626,874,000	12.7%
b) Mobile home contracts	2,189	24,565,000	14.3%
c) Travel trailers and RV's	4,323	33,435,000	12.3%
d) Other secured sales contracts	4,386	11,183,000	13.8%
e) Non–collaterilized sales contracts	1,155	3,038,000	13.4%
Total Indirect Consumer Sales Contracts Outstanding	101,760	$ 699,095,000	13.3%

CREDIT CARDS AND RELATED PLANS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Retail (*charge account*) credit card plans (*Master Card, Visa, etc.*)	245,250	$ 148,734,000	17.9%
b) Unsecured revolving credit plans (*Check Credit, etc.*)	98,859	68,449,000	17.7%
c) Secured revolving credit plans (*Mortgage secured, etc.*)	35,475	96,999,000	13.3%
Total Credit Cards and Related Plans outstanding	379,584	$ 314,182,000	16.3%

LESS UNEARNED (*DISCOUNT*) INCOME		$ 23,593,000	
NET TOTAL CONSUMER LOANS OUTSTANDING			
(Total of sub–totals above less unearned (*discount*) income)	571,502	$ 1,515,104,000	13.7%

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989 BY SAVINGS & LOANS

CONSUMER CREDIT EXTENDED DURING THE YEAR 1989

Rate Range and Size of Credit Extended	Number		Amount	Maximum APR	Average Maximum APR by Lender
a) $2,500 or less	1,609	$	2,179,000	21.0%	18.2%
b) $2,501 to $5,000	1,075		4,012,000	18.0%	17.4%
c) $5,001 to $10,000	1,105		7,934,000	18.0%	17.5%
d) $10,001 to $25,000	825		12,411,000	18.0%	16.1%
e) $25,001 or more	275		11,268,000	18.0%	16.1%
f) Total credit extended	4,889	$	37,804,000		17.4%

Average consumer loan at time made (*amount financed only*) $ 7,732.46

Percentage of the number of loans made covered by insurance which was purchased on behalf of the borrower:	Number	Percentage
a) Credit Life Insurance	1,039	27.0%
b) Health and Accident Insurance	338	7.0%
c) Fire or Personal Property Floater	–0–	0.0%
d) Other Additional Charges and/or Premiums	7	1.0%

Net losses from Uncollectible Accounts	$ 1,258,000	#	254
Total number of debtors filing bankruptcy during period		#	128
Total number of repossessions during period		#	61
Total number of foreclosures during period		#	43
Total number of legal judgments obtained during period		#	26
Total number of wage garnishments filed during period		#	7
Number of borrowers afforded opportunity to rescind real estate secured transactions during period		#	1,565
Number of borrowers who rescinded real estate secured transactions during period		#	86

Loan fees, if charged —— Min. $ 86.00, Max. $ 500.00, Avg. $ 95.00

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989
BY SAVINGS & LOANS

DIRECT CONSUMER LOANS MADE DURING PERIOD	NUMBER	DOLLAR AMOUNT
a) Precomputed (*subject to Rule of 78s*)	–0–	$ –0–
b) Interest–bearing (*simple interest*)	4,276	35,039,000
Total Direct Consumer Loans Made During Period	4,276	$ 35,039,000

INDIRECT CONSUMER SALES CONTRACTS PURCHASED DURING PERIOD (*DEALER LOANS*)	NUMBER	DOLLAR AMOUNT
a) Precomputed (*subject to Rule of 78s*)	–0–	$ –0–
b) Interest–bearing (*simple interest*)	–0–	–0–
Total Indirect Consumer Sales Contracts Purchased During Period	–0–	$ –0–

CREDIT CARDS & RELATED PLANS EXTENDED	NUMBER	DOLLAR AMOUNT
a) Retail (charge account) credit card plans	–0–	$ –0–
I. Annual Percentage Rate at year end	0.0%	
II. Amount of Annual Membership Fee, if any	$ –0–	
b) Unsecured revolving credit plans	531	$ 783,000
I. Annual Percentage Rate at year end	18.0%	
II. Amount of Annual Membership Fee, if any	$ 11.00	
c) Secured revolving credit plans	82	$ 1,982,000
I. Annual Percentage Rate at year end	11.6%	
II. Amount of Annual Membership Fee, if any	$ 20.00	
Total Credit Card & Related Plans Extended During Period	613	$ 2,765,000
Total Consumer Credit Extended During Period	**4,889**	**$ 37,804,000**

OUTSTANDING CONSUMER CREDIT BALANCES AS OF DECEMBER 31, 1989

Delinquency Percentage of Total Outstanding Loans by both Dollar Amount and Number of Loans as of December 31, 1989	Amount	Percent	Number	Percent
Contractually Delinquent for:				
a) 30 to 59 days	$ 1,718,000	2.4%	214	1.9%
b) 60 to 89 days	$ 458,000	.7%	60	.5%
c) 90 days or more	$ 714,000	1.1%	59	.5%
d) Total delinquency	$ 2,890,000	4.1%	333	3.0%

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989
BY SAVINGS & LOANS

DIRECT CONSUMER LOANS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Second mortgage real estate	1,592	$ 21,557,000	12.2%
b) Automobile loans	2,115	12,354,000	11.9%
c) Mobile home loans	242	3,361,000	12.7%
d) Travel trailers and RV's	212	1,998,000	12.0%
e) Other secured consumer loans	2,779	20,426,000	11.9%
f) Unsecured consumer loans	1,237	3,623,000	13.7%
Total Consumer Outstanding	8,177	$ 63,319,000	12.4%

INDIRECT CONSUMER SALES CONTRACTS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Automobile contracts	72	$ 393,000	11.7%
b) Mobile home contracts	–0–	–0–	0.0%
c) Travel trailers and RV's	8	81,000	11.4%
d) Other secured sales contracts	–0–	–0–	0.0%
e) Non–collaterilized sales contracts	–0–	–0–	0.0%
Total Indirect Consumer Sales Contracts Outstanding	80	$ 474,000	11.6%

CREDIT CARDS AND RELATED PLANS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Retail (*charge account*) credit card plans (*Master Card, Visa, etc.*)	1,139	$ 336,000	17.7%
b) Unsecured revolving credit plans (*Check Credit, etc.*)	1,470	867,000	17.9%
c) Secured revolving credit plans (*Mortgage secured, etc.*)	334	5,948,000	11.8%
Total Credit Cards and Related Plans outstanding	2,943	$ 7,151,000	15.8%
LESS UNEARNED (*DISCOUNT*) INCOME		$ 52,000	
NET TOTAL CONSUMER LOANS OUTSTANDING			
(Total of sub–totals above less unearned (*discount*) income)	11,200	$ 70,892,000	13.2%

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989
BY CREDIT UNIONS

CONSUMER CREDIT EXTENDED DURING THE YEAR 1989

Rate Range and Size of Credit Extended	Number	Amount	Maximum APR	Average Maximum APR by Lender
a) $2,500 or less	62,088	$ 87,777,000	25.0%	25.0%
b) $2,501 to $5,000	15,405	52,777,000	25.0%	25.0%
c) $5,001 to $10,000	9,717	62,464,000	25.0%	25.0%
d) $10,001 to $25,000	5,592	65,709,000	25.0%	25.0%
e) $25,001 or more	1,811	38,421,000	25.0%	25.0%
f) Total credit extended	94,613	$ 307,148,000		25.0%

Average consumer loan at time made (*amount financed only*) $ 3,246.00

Percentage of the number of loans made covered by insurance which was purchased on behalf of the borrower:	Number	Percentage
a) Credit Life Insurance	32,131	37.4%
b) Health and Accident Insurance	18,313	21.3%
c) Fire or Personal Property Floater	137	.2%
d) Other Additional Charges and/or Premiums	862	1.0%

Net losses from Uncollectible Accounts $ 8,629,000	#	2,432
Total number of debtors filing bankruptcy during period	#	979
Total number of repossessions during period	#	421
Total number of foreclosures during period	#	31
Total number of legal judgments obtained during period	#	301
Total number of wage garnishments filed during period	#	122
Number of borrowers afforded opportunity to rescind real estate secured transactions during period	#	519
Number of borrowers who rescinded real estate secured transactions during period	#	0

Loan fees, if charged —— Min. $ 10.00, Max. $ 900.00, Avg. $ 74.00

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989 BY CREDIT UNIONS

DIRECT CONSUMER LOANS MADE DURING PERIOD	NUMBER	DOLLAR AMOUNT
Total Direct Consumer Loans Made During Period	85,917	$ 288,216,000

CREDIT CARDS & RELATED PLANS EXTENDED	NUMBER	DOLLAR AMOUNT
a) Retail (charge account) credit card plans	3,699	$ 8,576,000
I. Annual Percentage Rate at year end	9.0%	
II. Amount of Annual Membership Fee, if any	$ 6.85	
b) Unsecured revolving credit plans	4,095	$ 9,479,000
I. Annual Percentage Rate at year end	8.25%	
II. Amount of Annual Membership Fee, if any	$ 28.25	
c) Secured revolving credit plans	902	$ 877,000
I. Annual Percentage Rate at year end	7.9%	
II. Amount of Annual Membership Fee, if any	$ -0-	
Total Credit Card & Related Plans Extended During Period	8,696	$ 18,932,000
Total Consumer Credit Extended During Period	**94,613**	**$ 307,148,000**

OUTSTANDING CONSUMER CREDIT BALANCES AS OF DECEMBER 31, 1989

Delinquency Percentage of Total Outstanding Loans by both Dollar Amount and Number of Loans as of December 31, 1989	Amount	Percent	Number	Percent
Contractually Delinquent for:				
a) 30 to 59 days	$ 6,061,000	1.3%	1,570	.9%
b) 60 to 89 days	$ 12,091,000	2.5%	743	.5%
c) 90 days or more	$ 4,746,000	1.0%	1,059	.6%
d) Total delinquency	$ 22,898,000	4.8%	3,372	2.0%

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989 BY CREDIT UNIONS

DIRECT CONSUMER LOANS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Second mortgage real estate	2,542	$ 42,790,000	12.4%
b) Automobile loans	37,502	192,052,000	12.3%
c) Mobile home loans	1,486	11,111,000	10.7%
d) Travel trailers and RV's	4,119	20,040,000	12.6%
e) Other secured consumer loans	21,246	106,915,000	12.3%
f) Unsecured consumer loans	34,662	59,768,000	14.6%
Total Consumer Outstanding	101,557	$ 432,676,000	12.5%

CREDIT CARDS AND RELATED PLANS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Retail (*charge account*) credit card plans (*Master Card, Visa, etc.*)	28,452	$ 24,513,000	14.9%
b) Unsecured revolving credit plans (*Check Credit, etc.*)	40,171	13,494,000	16.4%
c) Secured revolving credit plans (*Mortgage secured, etc.*)	460	5,329,000	12.7%
Total Credit Cards and Related Plans outstanding	69,083	$ 43,336,000	14.7%

NET TOTAL CONSUMER LOANS OUTSTANDING

(Total of subtotals above)	170,640	$ 476,012,000	13.6%

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989 BY FINANCE COMPANIES

CONSUMER CREDIT EXTENDED DURING THE YEAR 1989

Rate Range and Size of Credit Extended	Number	Amount	Maximum APR	Average Maximum APR by Lender
a) $2,500 or less	85,634	$ 69,237,000	40.0%	34.4%
b) $2,501 to $5,000	12,861	43,598,000	37.6%	29.3%
c) $5,001 to $10,000	2,876	18,942,000	33.2%	24.1%
d) $10,001 to $25,000	1,042	16,876,000	30.0%	20.8%
e) $25,001 or more	501	20,934,000	30.0%	18.6%
f) Total credit extended	102,914	$ 169,587,000		25.4%

Average consumer loan at time made (*amount financed only*) $ 1,647.79

Percentage of the number of loans made covered by insurance which was purchased on behalf of the borrower:	Number	Percentage
a) Credit Life Insurance	27,455	43.6%
b) Health and Accident Insurance	22,539	37.2%
c) Fire or Personal Property Floater	8,280	12.9%
d) Other Additional Charges and/or Premiums	6,398	8.2%

Net losses from Uncollectible Accounts	$ 4,772,000	#	3,094
Total number of debtors filing bankruptcy during period		#	1,520
Total number of repossessions during period		#	324
Total number of foreclosures during period		#	98
Total number of legal judgments obtained during period		#	317
Total number of wage garnishments filed during period		#	158
Number of borrowers afforded opportunity to rescind real estate secured transactions during period		#	2,123
Number of borrowers who rescinded real estate secured transactions during period		#	62

Loan fees, if charged —— Insufficient Data

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989 BY FINANCE COMPANIES

DIRECT CONSUMER LOANS MADE DURING PERIOD	NUMBER	DOLLAR AMOUNT
a) Precomputed (*subject to Rule of 78s*)	29,769	$ 69,483,000
b) Interest–bearing (*simple interest*)	32,101	60,941,000
Total Direct Consumer Loans Made During Period	61,870	$ 130,424,000

INDIRECT CONSUMER SALES CONTRACTS PURCHASED DURING PERIOD (*DEALER LOANS*)	NUMBER	DOLLAR AMOUNT
a) Precomputed (*subject to Rule of 78s*)	29,923	$ 27,571,000
b) Interest–bearing (*simple interest*)	295	371,000
Total Indirect Consumer Sales Contracts Purchased During Period	30,218	$ 27,942,000

CREDIT CARDS & RELATED PLANS EXTENDED	NUMBER	DOLLAR AMOUNT
a) Retail (charge account) credit card plans	3,535	$ 2,716,000
I. Annual Percentage Rate at year end	18.9%	
II. Amount of Annual Membership Fee, if any	$ -0-	
b) Unsecured revolving credit plans	732	$ 1,687,000
I. Annual Percentage Rate at year end	21.2%	
II. Amount of Annual Membership Fee, if any	$ 15.00	
c) Secured revolving credit plans	6,559	$ 6,818,000
I. Annual Percentage Rate at year end	18.1%	
II. Amount of Annual Membership Fee, if any	$ 15.00	
Total Credit Card & Related Plans Extended During Period	10,826	$ 11,221,000
Total Consumer Credit Extended During Period	**102,914**	**$ 169,587,000**

OUTSTANDING CONSUMER CREDIT BALANCES AS OF DECEMBER 31, 1989

Delinquency Percentage of Total Outstanding Loans by both Dollar Amount and Number of Loans as of December 31, 1989	Amount	Percent	Number	Percent
Contractually Delinquent for:				
a) 30 to 59 days	$ 10,177,000	4.3%	3,271	3.4%
b) 60 to 89 days	$ 4,585,000	1.9%	1,847	1.9%
c) 90 days or more	$ 4,676,000	2.0%	1,855	1.9%
d) Total delinquency	$ 19,438,000	8.2%	6,973	7.2%

ANALYSIS OF CONSUMER LOANS MADE IN IDAHO DURING 1989 BY FINANCE COMPANIES

DIRECT CONSUMER LOANS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Second mortgage real estate	4,684	$ 68,443,000	17.2%
b) Automobile loans	5,950	19,566,000	25.1%
c) Mobile home loans	360	3,068,000	22.6%
d) Travel trailers and RV's	98	728,000	22.3%
e) Other secured consumer loans	36,682	113,464,000	23.2%
f) Unsecured consumer loans	9,368	15,932,000	26.7%
Total Consumer Outstanding	57,142	$ 221,201,000	22.8%

INDIRECT CONSUMER SALES CONTRACTS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Automobile contracts	1,340	$ 1,464,000	22.5%
b) Mobile home contracts	78	37,000	21.0%
c) Travel trailers and RV's	34	191,000	15.2%
d) Other secured sales contracts	23,645	24,554,000	19.8%
e) Non–collaterilized sales contracts	3,493	2,451,000	21.0%
Total Indirect Consumer Sales Contracts Outstanding	28,590	$ 28,697,000	19.9%

CREDIT CARDS AND RELATED PLANS OUTSTANDING	NUMBER	DOLLAR AMOUNT	AVERAGE APR
a) Retail (*charge account*) credit card plans (*Master Card, Visa, etc.*)	4,424	$ 2,633,000	18.4%
b) Unsecured revolving credit plans (*Check Credit, etc.*)	5,983	6,629,000	21.2%
c) Secured revolving credit plans (*Mortgage secured, etc.*)	762	13,787,000	17.3%
Total Credit Cards and Related Plans outstanding	11,169	$ 23,049,000	19.0%
LESS UNEARNED (*DISCOUNT*) INCOME		$ 36,374,000	
NET TOTAL CONSUMER LOANS OUTSTANDING			
(Total of sub–totals above less unearned (*discount*) income)	96,901	$ 236,573,000	20.6%

BALANCE SHEET
*** COMPOSITE OF FINANCE COMPANIES ***
FOR YEAR ENDING DECEMBER 31, 1989

ASSETS		TOTAL CONSUMER BUSINESS IN IDAHO
Cash on hand and in Banks		$ 1,012,000
a) Gross Receivables	$ 283,675,000	
b) Less: Unearned Discount	36,992,000	
c) Total Net Receivables	246,683,000	
d) Less: Reserve for Bad Debts	6,354,000	
e) Adjusted Net Receivables		$ 240,329,000
Real Estate, Fixtures & Equipment (*less depreciation*)		1,997,000
Deferred Charges		377,000
Other Assets:		
a) Accounts Receivable		557,000
b) Repossessions		1,229,000
c) Miscellaneous		12,710,000
TOTAL ASSETS		**$ 258,211,000**

LIABILITIES	
Accounts and Notes Payable:	
a) Banks	$ 477,000
b) Due Parent Company or Affiliate	172,058,000
Bonds and Long Term Accounts and Notes	11,209,000
Other Liabilities:	
a) Accrued Expense	388,000
b) Dealers Reserve	191,000
c) Other	2,282,000
Net Worth (*if individual or partnership*)	294,000
Capital Stock (*if corporation*)	5,213,000
Surplus	59,002,000
Undivided Profits	7,097,000
TOTAL LIABILITIES AND NET WORTH	**$ 258,211,000**

STATEMENT OF INCOME AND EXPENSE
*** COMPOSITE OF FINANCE COMPANIES ***
For the Period From January 1, 1989 to December 31, 1989

INCOME		TOTAL CONSUMER BUSINESS IN IDAHO
Interest and Dividends on Securities	$	2,920,000
Charges Collected and/or Earned		44,689,000
Insurance Commission Earned		480,000
Other Income (*itemize*):		
a) Bad Debt Recoveries		402,000
b) Miscellaneous		1,011,000
GROSS OPERATING INCOME	**$**	**49,502,000**
EXPENSE		
Salaries, Wages & Fees	$	6,149,000
Taxes (*other than income*)		369,000
Depreciation on Buildings, Furniture, Fixtures & Autos		487,000
Losses – Charge–Offs, and Transfer to Valuation Reserve:		
a) On Securities		–0–
b) On Loans		5,008,000
c) Other		10,000,000
TOTAL EXPENSE	**$**	**22,013,000**
Net Operating Income (*before Interest and Federal & State Income Taxes*)	$	27,489,000
Interest Paid		23,486,000
Net Income (*before Federal & State Income Taxes*)	$	4,003,000
Federal Income Tax		– 125,000
State Income Tax		293,000
NET INCOME	**$**	**3,835,000**

REGULATED LENDERS
STATE OF IDAHO

June 30, 1990

BLACKFOOT

Fields Financial Services, Inc. (fka Cox Insurance)

BOISE

American General Finance, Inc. (fka CrediThrift)
Associates Financial Services Company of Idaho, Inc.
Avco Financial Services of Idaho Falls, Inc. (3 offices)
BarclaysAmerican/Financial, Inc.
Bencharge Credit Service (2 offices)
Beneficial Idaho Inc. (2 offices)
Beneficial Mortgage Company of Idaho (2 offices)
Blazer Financial Services
Boise Neighborhood Housing Services, Inc.
Check–X–Change (Moneytree)
Chrysler First Financial Services Corporation
Credithrift of America, Inc.
Fidelity Financial Services
First Idaho Corporation
Greater Boise Development Corporation
Homeowners Credit
Idaho Power Company
Murdoch Finance Company, Inc. (2 offices)
Norwest Financial Idaho, Inc. (2 offices)
Security Pacific Financial Services, Inc.
Shearson Lehman Hutton, Inc. (2 Offices)
Transamerica Financial Services
Western Mortgage Loan Corporation

BURLEY

Blazer Financial Services
Norwest Financial Idaho, Inc.
Unity Light & Power Company

CALDWELL

Associates Financial Services Company of Idaho, Inc.
Jack Murdoch Finance Company

COEUR D'ALENE

American General Finance, Inc. (fka CrediThrift)
Avco Financial Services of Idaho Falls, Inc.
Bencharge Credit Service
Beneficial Idaho Inc.
Beneficial Mortgage Co. of Idaho
MST Financial Services
Shearson Lehman Hutton Inc.
Transamerica Financial Services

IDAHO FALLS

Associates Financial Services Company of Idaho, Inc.
Avco Financial Services of Idaho Falls, Inc. (2 offices)
Blazer Financial Services
Credithrift of America, Inc.
First Financial Corporation
Idaho Mortgage & Loan Corporation
Norwest Financial Idaho, Inc.
Transamerica Financial Services

KELLOGG

Avco Financial Services of Idaho Falls, Inc.

LEWISTON

Associates Financial Services Company of Idaho, Inc.
Avco Financial Services of Idaho Falls, Inc.
BarclaysAmerican/Financial, Inc.
Blazer Financial Services
G. W. Pomeroy Financial Services, Inc.

McCALL

Intermountain Financial Services

MOSCOW

Credithrift of America, Inc.

NAMPA

Avco Financial Services
Nampa Finance Company
Norwest Financial Idaho, Inc.

POCATELLO

Associates Financial Services Company of Idaho, Inc.
Avco Financial Services of Idaho Falls, Inc.
Bencharge Credit Service of Idaho, Inc.
Beneficial Idaho Inc.

POCATELLO *(continued)*

Beneficial Mortgage Co. of Idaho
Blazer Financial Services
Credithrift of America, Inc.
Farm Bureau Finance Company
Norwest Financial Idaho, Inc.
Transamerica Financial Services

TWIN FALLS

Avco Financial Services of Idaho Falls, Inc.
Bencharge Credit Service of Idaho, Inc.
Beneficial Idaho Inc.
Beneficial Mortgage Co. of Idaho
Blazer Financial Services
Norwest Financial Idaho, Inc.
Transamerica Financial Services

CALIFORNIA

Shearson Lehman Hutton Mortgage Corporation, Newport Beach

CONNECTICUT

Merrill Lynch Realty, Stamford

ILLINOIS

Sears Consumer Financial Corporation, Riverwoods

MINNESOTA

Green Tree Acceptance, Inc., St. Paul

MONTANA

Associates Acceptance Corporation, Kalispell

NEW JERSEY

Mony Credit Corporation, Teaneck
PHH US Mortgage Corporation, Cherry Hill
Travelers Mortgage Services, Inc., Cherry Hill

NEW YORK

Niex Funding Corporation, Buffalo

TEXAS

American Savings Mortgage Corporation, Lake Jackson

UTAH

First Security Financial, Salt Lake City

WASHINGTON

Insurance Financing, Inc., Edmonds
Unigard Service Corporation, Bellevue
Washington Mutual Savings Bank, Seattle
Water Power Improvement Company, Spokane
Western States Finance Company, Clarkston

COLLECTION AGENCIES

STATE OF IDAHO

(July 1, 1989 through June 30, 1990)

BLACKFOOT

Bingham County Collection Agency
Credit Bureau of Blackfoot
Tri City Collections

BOISE

A.R.M.S.
Accounts Management
Action Collection Service, Inc.
Ada Collection Services, Inc.
Aman Collection Service, Inc.
American Creditors Bureau of Washington, Inc.
Cashex West, Inc.
CBI Collections–Boise
Central Adjustment Bureau, Inc.
Check Finders of Idaho
CheckRite of Boise, Inc.
Consumer Credit Counseling Service of Idaho, Inc.
Credit Check, Inc.
Credit Data Idaho, Inc.
Debt Collectors, Inc.
Dun & Bradstreet, Inc.
Financial Collection Agencies, Inc.
First Pacific Corporation
Green & Son's Agency
I.C. System, Inc.
Intermountain Credit Services (United Credit Men's)
National Financial Service, Inc.
National Revenue Corporation
North Shore Agency, Inc.
Payco General American Credits, Inc.
Professional Credit Analysts, Inc.
Transworld Systems Inc.

BURLEY

Credit Bureau of Burley, Inc.

COEUR D'ALENE

A.C.S., Inc. of Idaho
American Bonded Collection Specialists
Century Collections, Inc.
CheckRite of Northern Idaho
Coeur d'Alene Credit Bureau, Inc.

COEUR D'ALENE *(continued)*

Johnson–Rountree Co. of Idaho, Inc.
North Idaho Credit Corporation

EMMETT

Credit Bureau of Gem County (Mutual Credit Services)

HAILEY

Credit Bureau of Blaine County, Inc.

HAYDEN LAKE

Attorneys' Preferred Trustees, Inc.

HEYBURN

Gold Standard Collection Bureau, Inc.

IDAHO FALLS

Business Management Service
Collection Services
Credit Bureau of Idaho Falls, Inc.
Credit Service Company
Financial Freedom Enterprises
Interstate Collections of Idaho, Inc.
North American Collections

JEROME

Credit Bureau of Jerome, Inc.

KELLOGG

Credit Bureau of Shoshone County, Inc.

KETCHUM

National Collection Systems, Inc.

LEWISTON

Consumer Credit Counseling Service of Northern Idaho, Inc.
Credit Bureau of Lewiston–Clarkston, Inc.
Western Adjustment & Credit Bureau Inc.

MERIDIAN

Excel Services, Inc.
GC Services Limited Partnership
Tri–County Adjustment Bureau

MOSCOW

Accounts Recovery, Inc.
Inland Merchants Association, Inc.

MOUNTAIN HOME

O & T Enterprises and Collections, Inc.
Western States Recovery Service, Inc.

NAMPA

Action Collection Service, Inc.
CBI Collections

PAYETTE

Carol Collection Agency
Payette Credit Service
Treasure Valley Collection Agency

POCATELLO

Action Collection Service
Bannock Collectors, Inc.
Credit Assurance Agency
Credit Bureau of Pocatello, Inc.

PRESTON

Credit Service of Logan

REXBURG

Credit Bureau of Eastern Idaho, Inc.

RIGBY

Debt Control Center
Stateside Financial Stabilization Service

RUPERT

Credit Bureau of Rupert

ST. MARIES

Benewah Adjustment Service

SALMON

Credit Bureau of Salmon

SANDPOINT

Bonner County Collection Agency, Inc.
Sandpoint Credit Bureau, Inc.

SODA SPRINGS

Credit Bureau of Southern Idaho

TWIN FALLS

Action Collection Service, Inc.
Bureau of Collection Recovery Inc.
CheckRite of Twin Falls
Consumer Credit Counseling Service of Magic Valley, Inc.
Credit Bureau of Twin Falls, Inc.
Idaho Collections
Magic Valley Credit Bureaus, Inc.
Magic Valley Professional Services
Professional Service Agency
Statewide Collections, Inc.
United Creditors Alliance Corporation

SECURITIES BUREAU

The primary work of the Securities Bureau involves regulating the offer and sale of securities in Idaho under the Idaho Securities Act. Additionally, the Bureau performs limited duties under the state's takeover laws, the Idaho Control Share Acquisition Act and the Idaho Business Combination Act. The Bureau also administers the Idaho Endowment Care Cemetery Act, the Idaho Continuing Care Disclosure Act and the Idaho Commodity Code.

PURPOSES

The Idaho Securities Act ("Act") seeks to promote legitimate securities markets. The Act has two principal focuses: assisting legitimate companies in their attempts to raise capital and preventing investment fraud. While the Act is aimed at protecting the investor from fraud, the Act does not protect investors from the possibility of commercial or investment loss resulting from market changes. The Act does require that persons who solicit investments from the public fully explain all important aspects of the business operation of the company being promoted. Investors are then able to make reasoned decisions as to whether they wish to invest in a particular venture.

The investor protections provided by the Act include:

- **requiring** that a security be sold to the public by way of a prospectus – or descriptive brochure – which has been reviewed by the Department of Finance;
- **requiring** that investment advisers, securities brokers and securities salespersons be licensed and their activities regulated;
- **requiring** that securities brokers furnish a bond conditioned upon faithful compliance with the provisions of the Act by the broker/dealer and associated salespersons;
- **providing** civil remedies to purchasers of securities sold in violation of the Act; and
- **providing** civil and criminal penalties for violations in connection with the offer and sale of securities.

Bureau operations are divided into three principal areas: registration, licensing and enforcement.

REGISTRATION

Objective

The Act specifies the contents of applications for the registration of securities and outlines the type of review by the Bureau. Review is designed to determine whether the offering materials provide full, fair and accurate disclosure of all material information and whether they contain fraudulent terms or structure. The Department has authority to deny, revoke or suspend the effectiveness of any registration statement if it finds that the offering involves unreasonable underwriters' compensation, promoters' profit, number of options, or that the offering would tend to work a fraud upon the investors.

Process

Each application is analyzed for compliance with the standards set forth in the Act and the rules adopted under the Act. Any deficiencies or concerns about the structure of the offering or about disclosure are communicated to the issuer who then has an opportunity to respond. After a permit is issued, the Bureau follows up on the issuer to assure compliance with completion or renewal procedures.

Exemption

The law contains numerous exemptions from the registration requirements. Several of these require prior review by the Bureau. Regulation D "private offering exemptions," which are coordinated with the Securities and Exchange Commission ("SEC"), continue to be popular. A significant amount of staff time is spent evaluating these, and other, exemption requests.

Small Offering Registration Simplified

On May 7, 1990, the Department approved two new initiatives to promote small business capital formation for Idaho companies.

The first is adoption of the Small Corporate Offering Registration Form ("SCORF" or "Form U-7") which provides a simplified method of registering the securities of small corporate issuers. Recognizing the unique financial problems faced by small companies in raising capital, the Department adopted Form U-7 as an alternative method of registration to reduce the costs and burdens of raising capital while maintaining disclosure standards necessary to protect Idaho investors.

The form uses an easily readable question-and-answer format that can be prepared by accountants and lawyers (or others representing the issuer) who are not securities experts, thereby reducing offering costs and maximizing the amount of offering proceeds available to the issuer for investment in the business.

The form allows companies to raise up to $1 million in offering proceeds from an unlimited number of investors using public advertising. It has also been adopted by the North American Securities Administrators Association (NASAA) as a uniform registration form for use by qualified small issuers whose securities are exempt from federal registration by virtue of Rule 504 of the SEC's Regulation D.

Form U–7 filings are given priority in the Department's review process thus expediting the capital raising process. In addition, the Department has waived certain disclosure requirements in favor of the less restrictive provisions of Form U–7. Fairness rules will be applied on a case by case basis as deemed necessary for the protection of Idaho investors.

The second initiative provides three new brochures designed to facilitate small business capital formation. The three new brochures are aimed at 1) encouraging wise investing in small business ventures, 2) explaining and facilitating securities offerings under Form U–7 and 3) promoting the use of securities offerings by companies needing additional capital.

EDGAR/SRD

In December 1989, the Department took initial steps to participate in the Electronic Data Gathering Analysis and Retrieval system (EDGAR).

EDGAR was developed by the SEC to provide a "one–stop" electronic filing system for the receipt, processing and dissemination of information filed in connection with the registration of securities. A pilot program has been successfully operated by the SEC since 1984.

Once fully implemented, the EDGAR system will streamline securities industry filing procedures, reduce filing costs for multi–jurisdictional filers, and allow concurrent review of securities offerings by state securities regulators, the SEC and the securities exchanges.

State securities regulators will access data filed with the SEC EDGAR system through a computerized communication system created as a joint enterprise between the National Association of Securities Dealers (NASD) and NASAA. The proposed system will be jointly managed by the NASD and NASAA, and funded from user fees paid by industry filers. The state counterpart system, called Securities Registration Depository (SRD), is similar to the CRD system already in use for the registration of securities salespersons and brokers.

As part of our commitment to the EDGAR/SRD system, the 1990 legislature authorized the purchase of computer hardware necessary to interface with EDGAR via a satellite computer hookup. It is currently anticipated that the EDGAR system will be phased–in over a three year period and be fully operational by 1993.

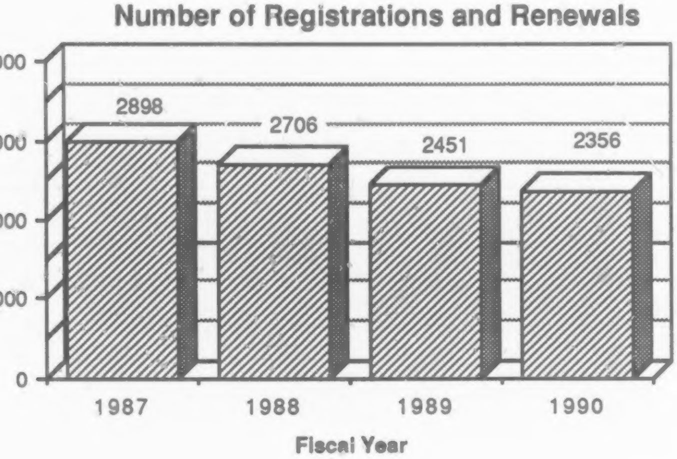
MDS/Internationalization – Change in Nature of Offerings

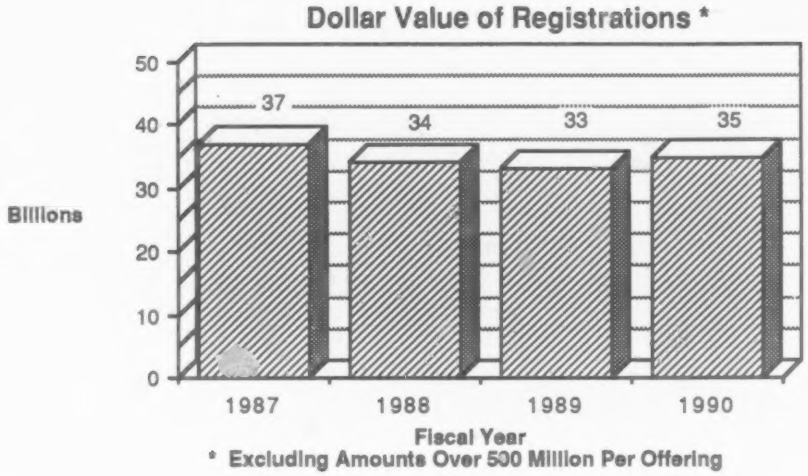
Within the last year we have seen many changes among registration and exemption filings. These changes parallel those occurring in financial markets nationwide and indicate that Idaho is attracting a broader spectrum of issuers throughout the world. An increase in international offerings from issuers around the world have made it apparent that globalization of securities markets will continue. Regulation must adapt to this internationalization of the markets. In response to this growing need for internationalization of securities regulation, we issued a policy statement on December 11, 1989, indicating that the Department will participate and facilitate certain multijurisdictional securities offerings in cooperation with Canadian regulators (Multijurisdictional Disclosure System–"MDS"). This agreement is just one in a series of many steps we must take in an effort to make Idaho internationally more attractive.

While an increase in international offerings made in Idaho and other states indicates growth on a multijurisdictional plane, we have also seen a decrease in individual participation in the securities markets. Institutional players are dominating the markets in large part because the markets have become more and more complex. This complexity has resulted, in part, from an increase in intricate and much more sophisticated corporate and offering structures. It is also due, in part, to the dominating use of computerized trades. This makes it extremely difficult, if not impossible, for the "small player" to compete on an equal basis. This situation has encouraged individual investors to turn to mutual funds as an escape from the uncertainty of Wall Street. Consequently, we have seen an increase in mutual fund registrations.

Comparison Figures

Registrations and renewals have declined somewhat since their all–time high figure of 2,993 in 1985 both in terms of actual filings and the dollar amount of securities being registered. This decline is attributable to both the market crash in October, 1987 and changes in procedures of the Department to streamline the combination of securities registrations, resulting in fewer filings. While renewals have remained steady, the number of new issues being registered with the Bureau has dropped dramatically. The market appears to have recovered from the crash, yet there are some continuing effects as indicated by the charts shown below.





LICENSING

Objective

The Bureau licenses all broker–dealers, securities salespersons and investment advisers who conduct business with Idaho residents. Each application for registration and renewal is reviewed, in addition to ongoing oversight of those persons, to assure continued compliance with the requirements of the Act.

Process

The applications are examined for content, business history, disciplinary history, educational and business background of applicants and their officers and directors, and to assure that proper examinations have been passed. Each company must submit financial statements which demonstrate that the minimum net capital requirement is met. Where there exists a disciplinary history, criminal conviction or some other basis for denial of the registration, and where Bureau staff determines that registration of the applicant could subject Idaho investors to potential customer abuse, the staff recommends to the Director that registration be denied. Often the Department will work with applicants to resolve concerns by agreement or to have applicants implement special procedures to reduce the opportunity for fraud or abuse.

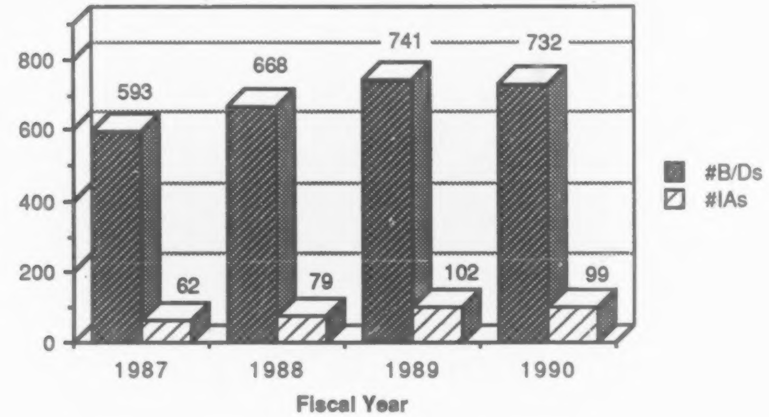
NASD/CRD

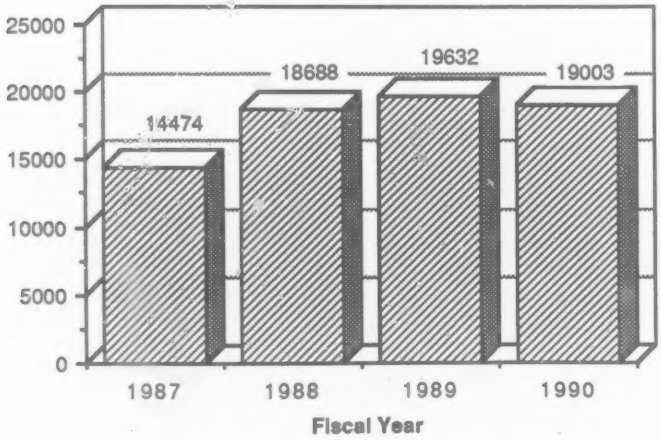
All broker–dealer and salesperson/agent applications are approved through a national computer satellite system called Central Registration Depository ("CRD"). The CRD system enables the Bureau to review any aspect of the applicant's background, including employment, education, disciplinary history, examination scores, and licensing status in other states.

Approvals of applications are recorded directly on the computer and become effective immediately. Moreover, this system gives the Department quick access to pertinent information regarding broker/dealer firms, their agents and officers. The system is also used for relaying messages and information between the states, thereby providing instant information regarding, and coordination of, disciplinary action taken against broker/dealer firms or salespersons by other states.

CRD is advantageous to the securities industry in that applicants need only submit their applications to one location rather than to various individual states. It assures that the applications are processed more quickly and at lower cost.

1990 saw a slight decrease in the number of license applications filed in Idaho. The recent decrease follows several years of steady growth.

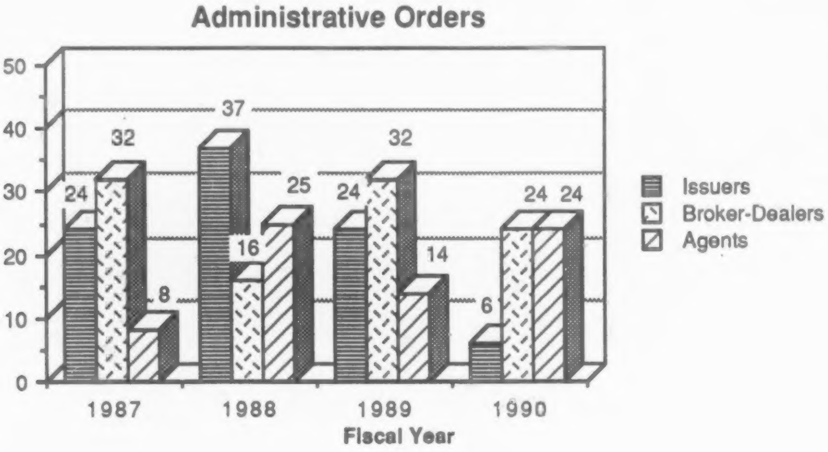

Broker-Dealers and Investment Advisers


Agents

Compliance

In our effort to assure that the securities industry is complying with the Idaho Securities Act, license applications are regularly reviewed to discover any changed circumstances. Moreover, we investigate complaints by investors, review advertising and review financial data on broker–dealer firms. Finally, we follow a program of periodic, unannounced visits to broker–dealer and investment adviser offices to verify compliance with the Act and to educate licensed persons.

When a violation is discovered, the Department decides whether sanctions are appropriate. We may impose fines, deny or revoke licenses or initiate court action. In general, the broker–dealers and salespersons located in Idaho appear to be performing better than the national average in meeting the investment needs of local investors and in complying with the law. Most enforcement actions are against firms located out of state. The chart below illustrates the number of compliance enforcement actions taken.



Broker–Dealer Bulletin

In February, 1988, we initiated a new quarterly bulletin for broker–dealers. The publication is used to inform broker–dealers of problem areas we have discovered, suggestions and new developments. The number of new registrations and enforcement actions taken are also reported in the bulletin. The "Securities Industry Bulletin" has been well received by industry and is often used as a training tool by compliance managers.

Sanctions Imposed

Broker–Dealers and Investment Advisers Fines totaling $82,000 were imposed against seven (7) broker–dealers and investment advisers for various violations of the law. In most cases, the firms were also ordered to offer refunds to affected customers.

The most notable of these actions were:

- Drexel Burnham Lambert, Inc. The firm pled guilty to six felony counts of criminal securities fraud and mail fraud and was permanently enjoined by the U.S. District Court in New York. As a result, the firm signed an Agreement and Order with the State of Idaho consenting to provisions which allow Idaho to enforce the federal settlement with the SEC, agreed to cease all retail activities including "cold calls" and committed to pay a $50,000 fine.
- L.F. Thompson and Company The firm admitted violating the Idaho Securities Act and consented to the revocation of Thompson's broker–dealer license. This agreement was reached following allegations of fraudulent penny stock promotions by the firm.
- Richfield Securities, Inc. The firm admitted violating state registration requirements as well as using deceptive and manipulative practices in the sale of penny stocks. The firm signed an Agreement and Order, paid a $1,000 fine, agreed to withdraw its broker–dealer license in Idaho and agreed not to reapply for at least two years.
- R.G. Dickinson & Company The firm admitted to salesperson and broker–dealer registration violations. The firm signed an Agreement and Order, paid a $8,000 fine, agreed to notify Idaho residents of their rescission rights, agreed to become properly registered and agreed to abide by the Idaho Securities Act.
- FEC Securities Corporation As a result of sales of unregistered securities by unlicensed agents through an unregistered broker–dealer and potentially faulty compliance and inadequate supervisory procedures, the firm agreed to an Order that included a $5,000 fine, and requirements that it become licensed in Idaho, be suspended for thirty days, be on probation for one year and implement adequate compliance procedures.
- Chatfield Dean & Co., Inc. An Order was issued denying effectiveness of the firm's registration in Idaho as it demonstrated a general lack of fitness by not disclosing material information in its application, misrepresenting its disciplinary history to the Department and selling unregistered securities to an Idaho resident through an unregistered broker–dealer by an unlicensed salesman. As of June 30, 1990, this matter was still pending.
- Thompson Bradley & Co., Inc. The firm's registration was revoked and immediately suspended due to the activities of the firm's President, Bradley Zilke. Mr. Zilke is currently a defendant in an injunctive action by this Department for fraud in the sale of securities, unlicensed activities and sales of unregistered securities while an agent of two other broker–dealer firms.

- Emery/Evart Portfolio Management The firm admitted acting as an unregistered investment adviser in Idaho. The firm signed an Agreement and Order, agreed to become licensed, agreed to be on probation for one year, agreed to cease solicitations in Idaho until properly registered, paid a $15,000 fine, $600 in investigative costs and $400 in back registration fees.

Agents Six agents were fined $4,000 and required to refund customer moneys for failing to comply with the law.

The more significant sanctions were imposed on the following agents:

- John R. Ryan and Robert W. Harper As a result of a "selling away" violation coupled with sales of unregistered securities, the parties signed a Stipulation agreeing as follows: 1) both admitted violating the registration requirements and antifraud provisions of the Idaho Securities Act; 2) both personally guaranteed repayment of promissory notes issued to Idaho and Washington customers; 3) Harper agreed to a revocation of his securities license; 4) Ryan agreed to suspension of his securities license for a minimum period of two years.

Issuers Disciplinary sanctions were imposed on the following firms:

- National Heritage Industries The firm's registration was summarily denied for 1) material omissions, 2) underwriter's and distributor's violations of the Idaho Securities Act and Rules, 3) an offering which tended to work a fraud, and 4) unreasonable promoters' profits.
- Consolidated Energy Systems, Inc. (CES) Consent Order of Denial – This Consent Order superseded the original Revocation Order issued March 31, 1988. Without admission, CES agreed to 1) consent to the denial of the registration, 2) advise and aid the state in identifying CES shareholders in this state, 3) admit that any distribution of CES shares would constitute a non–exempt and unregistered distribution, and 4) pay $1,000 in investigative expenses.

ENFORCEMENT

Objective

As an enforcement agency we seek to protect Idaho investors from fraudulent investment schemes. We investigate complaints of possible violations of the Act and file lawsuits to enforce the law. These investigations and lawsuits constitute the single most significant element of Bureau activities.

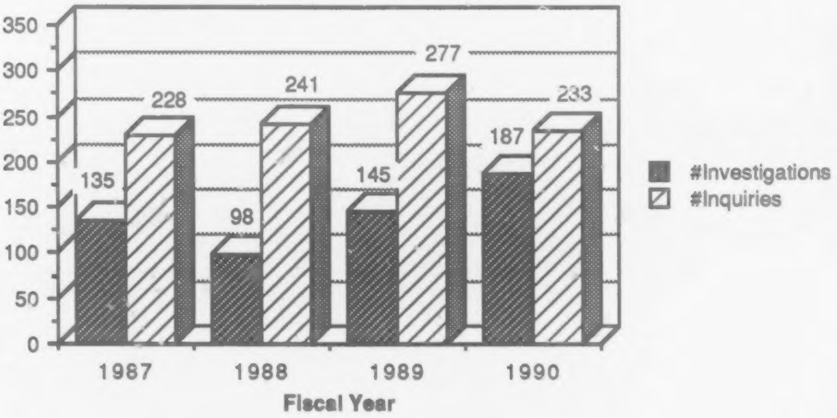
Process

Investigations generally are initiated as a result of complaints or inquiries received from investors or other interested persons, information received from other agencies, analysis of documents filed with the Department, regular surveillance of advertisements appearing in Idaho newspapers to ascertain whether violations are occurring, and Department examinations of broker–dealer and investment adviser offices.

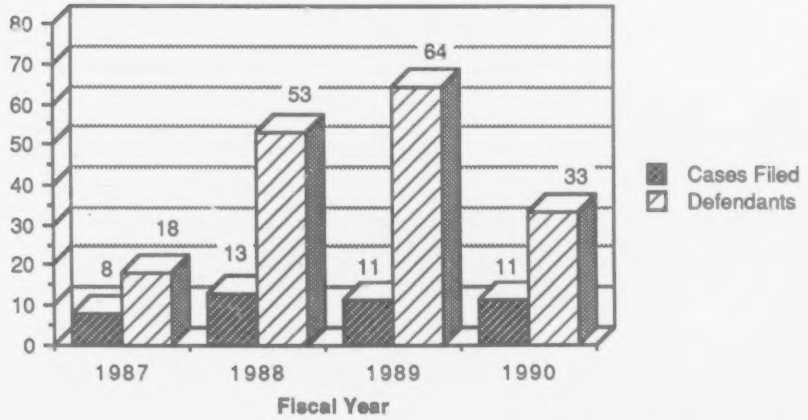
After an investigation is started, an initial determination is made whether violations appear to have occurred. If not, the investigation is closed. Otherwise, the staff completes the investigation and determines the appropriate remedy to be sought. Some investigations result in informal resolutions when the violation is minimal and violators return the money and restructure the offering to be in compliance. More serious cases generally result in litigation. The most egregious cases are also referred to prosecutors for criminal charges.

While many of the promoters sued are located in Idaho, a significant number live out of state and direct their offers by phone, mail or visits to Idaho. The Department has attempted to protect Idaho residents whenever securities fraud occurs here, even if the promoters reside out of state. Recent years have shown a dramatic increase in securities fraud promoted by out of state telemarketing companies.

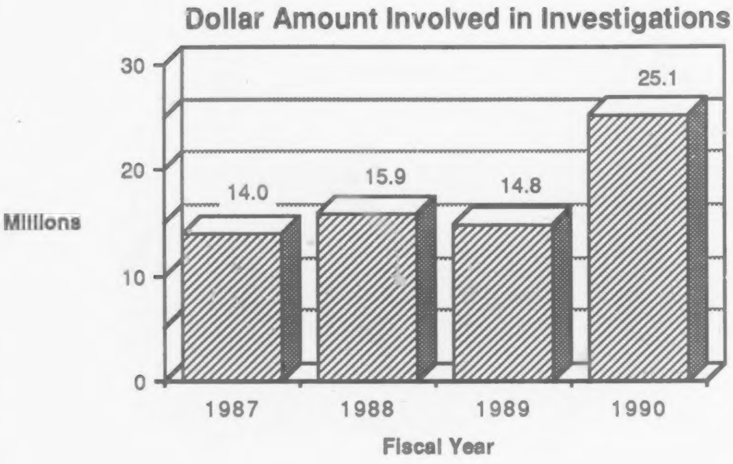
The charts below demonstrate the extent of recent enforcement activity of the Department.



Number of Investigations/Inquiries



Litigation - Cases Filed/Defendants



Enforcement Actions Taken

Enforcement actions by the Securities Bureau are varied and complex. The Department filed 11 lawsuits against 33 defendants during fiscal year 1990. The following actions were taken by the Department during fiscal year 1990 to stop investment fraud in Idaho.

Aug. 4, 1989	Western Income Managed Futures Fund, Caliber Financial Group, Ltd., and Richard J. Harty (Maryland) Caliber and Harty consented to judgment and an injunction and agreed to repay Idaho investors. The lawsuit stems from the sale of commodity pool investments in Western Income Managed Futures Fund in violation of state securities laws. The lawsuit is now complete as seven other defendants have previously consented to judgment. As a result, Idaho investors will receive return of over 90% of their investment.
Sept. 6, 1989	Hallmark Enterprises, Inc. and KD Associates (Las Vegas) A judgment and an injunction was entered against these two defendants for offering unregistered mining investments by unlicensed salespersons, and engaging in fraud. The judgment includes: a $5,000 fine, an injunction, restitution and assistance in the state's case. Two defendants, Phenix Mining and its president, G. Brian Stone, had judgment entered against them

	on May 19, 1989. The lawsuit is continuing against the remaining defendant.
Sept. 7, 1989	Michael Jiminez, International Enterprizes, MMM Associates, 3–M Associates, Michael Rambo and Merrill Jolley (Boise) A lawsuit was initiated alleging an illegal loan brokering scheme directed at agricultural entities in southern Idaho.
Nov. 8, 1989	Allegiance Securities, Inc., Michael C. Ermilio, Frank A. Grillo and William S. Killeen (New York) A lawsuit was initiated alleging sales of unregistered securities by unlicensed agents through an unregistered broker–dealer. The Complaint also alleges fraud in the marketing of low–priced penny stocks.
Dec. 6, 1989	Escalator Securities, Inc., Howard and Laurie Scala and Brian Zilke (Pennsylvania and California) A lawsuit was initiated alleging the fraudulent sale of unregistered securities by unlicensed agents employed by an unlicensed broker–dealer. Brian Zilke subsequently formed L.F. Thompson, a California broker–dealer against which the Department took action on October 17, 1989. Brad Zilke was later also named as a defendant.
Dec. 11, 1989	E.R. Riede (Las Vegas) A judgment and permanent injunction was entered for Riede's participation in a "dirt pile" sales and mining scheme. Judgment was previously entered against Phenix Mining and Brian Stone (May 12, 1989) and Hallmark Enterprises, Inc. and KD Associates (September 5, 1989). The Department is still searching for the one remaining defendant, Jan Ogran.
Jan. 9, 1990	Allegiance Securities, Inc. (New York) A judgment and permanent injunction was entered against the firm, which had concentrated on selling penny stocks. The judgment includes 1) a finding that Allegiance violated the Idaho Securities Act, 2) an injunction prohibiting future violations, 3) a fine of $15,000, and 4) an award of $5,000 in attorneys fees to the Department of Finance. The firm has since gone out of business.
Jan. 23, 1990	Michael C. Ermilio (New York) A judgment and permanent injunction was entered for his activities as a salesperson for

	Allegiance Securities, Inc. The judgment includes 1) a finding that Ermilio violated the Idaho Securities Act, 2) an injunction prohibiting future violations, 3) a restriction on Ermilio's future business activities, 4) an order that refunds be paid to all Idaho customers, and 5) a fine of $5,000.
Jan. 29, 1990	Michael Jiminez d/b/a International Enterprizes, MMM Associates, and 3–M Associates; Merrill Jolley (Boise) A judgment and permanent injunction was entered against Michael Jiminez and Merrill Jolley. The judgment includes 1) a finding that defendants had violated the Idaho Securities Act, 2) an injunction prohibiting future violations, 3) a prohibition of the sale or offer of unregistered, non–exempt securities, and 4) an order that restitution be made to Idaho investors. The lawsuit continues against Michael Rambo.
Feb. 13, 1990	Osborne Stern and Company, Inc. and Douglas Wayne Osborne (California) A lawsuit was initiated alleging the fraudulent sale of unregistered securities by unregistered salespersons employed by an unregistered broker–dealer. It is also alleged that the defendants provided false information to the State of Idaho. D. Wayne Osborne is the President of Osborne Stern. Both defendants operate from Los Angeles, California.
Apr. 3, 1990	Island Planning Corp. of America, Gwyn Brian A. Griffiths, Adela S. Lafora (New York) A lawsuit was initiated alleging 1) the offer and sale of unregistered securities, 2) sales by an unregistered broker–dealer and associated agents, 3) improper supervision, and 4) fraud in connection with the sale of securities. It is alleged that the firm, its vice–president and the promoter sold interests in a fraudulent investment scheme involving oil and sulphur shipments. Lafora has been previously associated with a 1970's "ponzi" scheme.
Apr. 11, 1990	Geotech Energy Corp. (Texas) Agreement and Order – Geotech agreed to 1) cease soliciting Idaho investors until its securities are properly qualified for sale in Idaho, 2) pay a $2,000 fine, 3) abide by the Idaho Securities Act. This action stems from Geotech offers (but no sales) of oil and gas partnership interests.

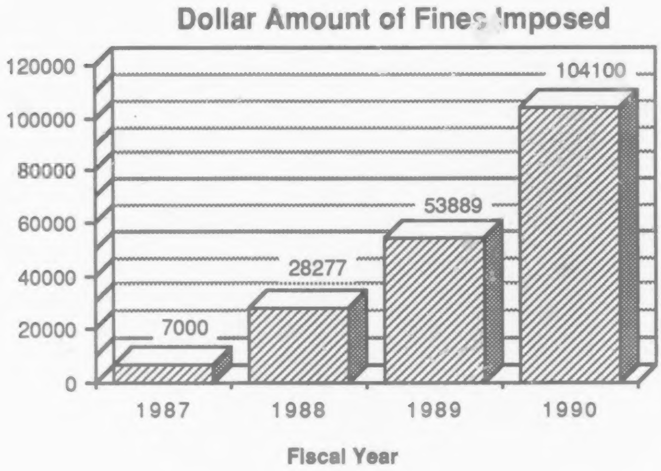
Apr. 20, 1990	Silver Dollar Exchange, Inc., Ralph E. Agueros, Charlotte L. Agueros, (Sandpoint, Idaho) A lawsuit was filed alleging sales of unregistered securities by unlicensed agents and fraud in connection with the sale of securities. The alleged scheme involved the borrowing of silver from Idaho residents in return for promissory notes paying a fixed return or a return based on profits made by the defendants using the investors' silver. The defendants filed for bankruptcy in June, 1988.
May 2, 1990	Wine Futures Exchange, Inc., Kenneth S. Gross, Conrad Marshall and Mel Lowry (California) A lawsuit was initiated alleging the fraudulent sale of unregistered securities by unlicensed agents. The scheme involved the defendants soliciting investors to purchase an investment program involving select California wines expected to appreciate in value. Investors were given promises of profit but were never repaid their investment.
May 5, 1990	Annie's Health Services, Inc., Annie's Home Health Services, Inc., Executive Performance, Inc., Solveig Amador, A. Gay Blakeslee (Boise) A lawsuit was initiated alleging the fraudulent sale of unregistered securities by unlicensed agents. The scheme revolved around the creation of several business entities and subsequent solicitations to invest in common stock, preferred stock, stock options and corporate promissory notes.
May 10, 1990	David Wetherill dba Karisma of Arizona (Las Vegas) Wetherill consented to a permanent injunction and admitted securities licensing violations. Wetherill also agreed to offer Idaho consumers a refund of their $30,000 in purchases. Wetherill was enjoined from further Securities Act and Consumer Protection Act violations and ordered to pay a $5,000 fine. The lawsuit stemmed from a promotional prize scheme and was filed jointly with the Idaho Attorney General's Consumer Protection Unit.
May 10, 1990	Dougison Limited Partnership and Paul V. Patterson (Phoenix) Judgment was entered against both defendants including 1) an injunction ordering Dougison Limited Partnership to not violate the law in any future activities, 2) an order that Patterson

	pay a $3,000 fine and 3) a requirement that Dougison Limited Partnership offer refunds of over $75,000 to affected Idaho investors. Both defendants agreed to the judgment without admitting or denying any violations. The lawsuit had been filed in April, 1989 alleging the offer and sale of unregistered partnership units.
May 15, 1990	Explo Oil, Inc. (Texas) Explo Oil, Inc., via an Administrative Agreement and Order, agreed to 1) cease soliciting Idaho investors unless and until their securities are properly qualified in Idaho, 2) pay a fine of $1,000 and 3) comply with Idaho law. This action stemmed from Explo Oil solicitations (no sales were made) of Idaho residents to invest in Explo sponsored oil and gas working interests.
May 23, 1990	Thomas G. Walker, Jr. (Boise) A lawsuit was initiated against Walker for his involvement in several investment syndications while Walker resided in Twin Falls, ID. The Complaint alleges that Walker 1) sold securities after the sales time–limit had expired, 2) committed fraud in the sale of securities, 3) operated as an unlicensed securities salesman, and 4) operated as an investment adviser while not registered with the Idaho Department of Finance. The investments promoted by Walker include Geo/Pleurotus Growers, L.P.; Pleurotus Capital Investment Co., L.P.; Bliss Valley Foods; Intermountain Equities and Leasing I and III; and Pension Equity Investment L.P. I and III.
June 20, 1990	Wine Futures Exchange, Inc. (WFE), Kenneth S. Gross, Conrad Marshall, Mel Lowry (California) WFE, Gross and Marshall consented to a permanent injunction without admitting or denying violations of the Idaho Securities Act. The judgment includes 1) an order that the defendants not violate the law in any future securities activities, 2) an order that WFE pay a $5,000 fine and that Gross and Marshall pay fines of $1,000 each, 3) a requirement that the defendants offer refunds to Idaho investors, and 4) a requirement that defendants cooperate in the state's case against the remaining defendant, Mel Lowry. The case stems from the defendants' solicitation of Idaho residents to invest in select California wines for appreciation and resale. The lawsuit was filed May 2, 1990.

Rescission During the year, Idaho residents were offered refunds of $700,676 in securities investments due to the enforcement efforts of the Department. In addition to that figure, Drexel Burnham Lambert, in a national settlement, agreed to refund $350,000,000 to investors nationwide. An unknown portion of that figure will be refunded to Idaho residents.

Fines The Department received $104,100 in fines and penalties during the year. A large portion of that amount was ordered by the court in lawsuits initiated by the Department. The remainder resulted from administrative proceedings and Orders entered by the Director of the Department.

The chart below illustrates the amount of fines received by the Department.



LEGISLATION/RULES

During the 1990 Legislative session, there were no amendments to any of the laws administered by the Bureau with the exception of changes in the Idaho Public Records Laws. There were no rule changes during the year; the last changes having been made in 1986.

FEES

Effective January 1, 1990, the Department increased certain licensing and registration fees to levels that existed prior to 1987.

PUBLIC EDUCATION

Investor Alert During 1990 the Department continued its participation in the INVESTOR ALERT, an international program designed to boost public awareness of investment fraud schemes. The Investor Alert program is jointly sponsored by NASAA, and the

Council of Better Business Bureaus ("CBBB"). The Idaho program is being sponsored by the Idaho Department of Finance and by the Better Business Bureau of Treasure Valley. The Investor Alert program is designed to inform the public about investment schemes which have been identified by state securities regulators and Better Business Bureaus as having the potential to defraud consumers. The following investor alerts were issued in the last fiscal year:

Title	Date Issued
Religious Circles in Idaho Face Increased Risk of Scams Promoted by "False Prophets of Investments"	August, 1989
Penny Stock Fraud	December, 1989

The following other consumer warnings were released by the Department:

The Five Emerging Investment Scam Trends for 1990: Top Five Securities Enforcement Cases for 1989 Also Listed	January 3, 1990
Securities Fines Imposed: Broker–Dealers and Issuers Sanctioned	January 16, 1990
Finance Department Unveils Initiatives to Promote Small Business Capital Formation For Idaho Companies	May 7, 1990
Securities Fines Imposed: Broker–Dealers, Issuers, Agents and Investment Advisers Sanctioned	June 28, 1990

Investor Awareness The Bureau also attempted to educate Idaho residents on investment fraud in a number of other ways. These included:

- Speeches before professional, church and community groups;
- Showings of the film "Calling For Your Dollars" produced by NASAA;
- Distributing the "Calling For Your Dollars" video to libraries and other consumer groups throughout the state;
- Presentations to various Idaho high school classes on avoiding fraud;
- Providing guest speakers to various Boise State University classes on business law and government;
- Issuing press releases and speaking to the media to publicize our enforcement actions;
- Lectures to University of Idaho law students;

- Distribution of 1000 copies of the "Investor Alert" handbook which identifies common frauds and warns investors to beware. Copies of the handbook were distributed to all colleges and secondary schools in the state;
- Training police officers to recognize investment fraud;
- Giving television and radio interviews about investor protection issues;
- Assisting telephone callers and visitors who have questions about the securities laws;
- Reprinting the consumer brochure "Investigate Before You Invest" and making it available to Idaho residents;
- Creating 3 new brochures to educate investors and small businesses about investing in securities;
- Reprinting 5000 copies of the "Con Artist Hypnosis" brochure;
- Publishing several articles in Idaho State Bar Association newsletters.

Finally, the Bureau attempted to educate professionals on the requirements of the law so they can better serve and advise their clients. These efforts included participation in the Corporate and Securities Section of the Idaho State Bar Association and participating in training seminars for attorneys on securities law as panelists and speakers.

COOPERATION WITH OTHER AGENCIES

The Department has an excellent working relationship with other securities regulators and enforcement agencies. It participates in the Anti–Fraud Advisory Council (AFAC) which is made up of Idaho state and local agencies combating fraud. AFAC meets regularly to coordinate efforts between the member agencies. The Department is also an active member of NASAA, made up of the securities regulators of all 50 states as well as the Canadian provinces, Mexico and Puerto Rico. Representatives of the Department serve on NASAA's Municipal Securities, Training and Education, Enforcement Policy and Regulatory Liaison Committees.

The Bureau shares enforcement information, upon request, with any appropriate agency and cooperates with other regulators to promote uniformity in the interpretation of its laws. In November, 1988, the Department signed a Memorandum of Understanding with The Securities Association in London providing for the sharing of information on enforcement and regulatory matters.

NASAA also sponsors training classes for Bureau staff that enable them to improve their skills and interact with their counterparts in other states. Additional training is, on occasion, available from the Securities and Exchange Commission, the Commodity Futures Trading Commission, the National Futures Association and the National Association of Securities Dealers.

LEVITICUS PROJECT ASSOCIATION

The Department participates in the Leviticus Project Association, Inc. ("Leviticus"), a federally–funded association made up of 28 criminal justice and securities enforcement agencies in 19 states. Leviticus assists its member agencies by providing training, technical expertise, and financial assistance in the investigation and prosecution of cases involving oil and gas, coal, and precious metals fraud. The Department has utilized the resources of Leviticus in several cases and investigations.

CORPORATE TAKEOVER

The Idaho Corporate Takeover Law was repealed in March 1988. In its place, the Legislature adopted the Control Share Acquisition Act and the Business Combination Act. The first gives shareholders more authority to decide the terms of a takeover and the second allows a corporation to limit the effects of a takeover. The Department's involvement with takeovers is substantially more limited under these new laws.

There was no activity during the year involving Idaho companies covered by these laws.

IDAHO COMMODITY CODE

The Model Commodity Code was adopted during the 1989 session of the Legislature. The Code is designed to reduce fraud by outlawing certain commodity investment contracts where the investor never receives delivery of the commodity.

The new law, which took effect July 1, 1989, is an enforcement tool for the Department, rather than a regulatory system.

ENDOWED CARE CEMETERIES

General

All "endowed care" or "perpetual care" cemeteries in the State of Idaho are required to be registered with the Securities Bureau of the Department. The purpose of the Endowment Care Cemetery Act is to ensure that sound business practices essential to the continued furnishing of endowed or perpetual care are followed.

"Perpetual" or "endowed care cemetery" means a cemetery wherein lots are sold under the representation that said cemetery will receive perpetual or endowed care, free of further cost to the purchaser after payment of the original purchase price, for a lot or burial space. An endowed or perpetual care cemetery is required to establish an irrevocable trust fund in the sum of at least fifty thousand dollars ($50,000) for the care of the cemetery. The income from the trust fund shall be used solely for the general care, maintenance, and embellishment of the cemetery.

Regulation

There are thirteen endowed care cemeteries licensed in the State of Idaho. Each of these cemeteries must submit a renewal fee each year along with a renewal report form and a financial statement of their trust account. The Securities Bureau conducts periodic examinations of endowed care cemeteries to verify that the activity in the trust account is being handled properly. The Bureau also reviews bank statements to verify the use of the trust funds.

The following is a list of the cemeteries reporting under the Endowment Care Cemetery Act:

Cloverdale Memorial Park Association, Inc.	Boise
Coeur d'Alene Memorial Gardens, Inc.	Coeur d'Alene
Filer Lodge #125 I.O.O.F. Cemetery	Filer
Hillcrest Memorial Gardens, Inc.	Caldwell
Lewis–Clark Memorial Gardens, Inc.	Lewiston
Mountain View Memorial Park, Inc.	Boise
Parks Development Co. (Sunset Memorial Park)	Twin Falls
Pinecrest Memorial Park	Sandpoint
Restlawn Memorial Gardens, Inc.	Pocatello
Rosedale Memorial Park, Inc.	Payette
Shoshone Memorial Gardens, Inc.	Pinehurst

Terrace Lawn Memorial Gardens, Inc.	Meridian
Twin Falls Cemetery Association	Twin Falls

Compliance

An Agreement and Order was signed March 13, 1990 to remedy possible violations of the Endowment Care Cemetery Act by Restlawn Memorial Gardens, Inc. Terms of the Order were: 1) make a deposit to the trust fund in an amount sufficient to correct deficiencies; 2) provide to the Department a monthly statement of the amount of funds required to be deposited to the trust; 3) deposit funds in the amount reported in the monthly statement to the trust no later than 30 days from the receipt of payment and submit a copy of the receipt evidencing such deposit; 4) submit the annual registration statement for the fiscal year ending April 30, 1989 and delinquent annual registration fees for the last 2 fiscal years for a total of $300; 5) hereinafter file the annual registration statement and registration fee each year within 30 days of the end of its fiscal year; 6) establish a segregated bank account into which all income earned on trust funds and disbursed by the trustee shall be deposited; 7) pay a $100 fine; and 8) agree to future compliance.

CONTINUING CARE DISCLOSURE ACT

The 1988 Legislature adopted the Idaho Continuing Care Disclosure Act. This new law regulates entities that offer to provide long term care and lodging after payment of an entrance fee. The law requires registration, disclosure, trust funds and audits, and regulates other elements of these programs.

The law was enacted in response to problems caused when residents of an Idaho nursing home lost their money due to embezzlement and mismanagement.

The new law became effective July 1, 1988. No facility has yet registered to offer this type of program in Idaho.

DEPARTMENT OF FINANCE STAFF

ADMINISTRATION

Belton J. Patty	Director of Finance
Shirley A. Whitney	Secretary, Administrative

SUPPORTING SERVICES BUREAU

Barbara J. Crist	Supporting Services Bureau Chief
Larry G. Mull	DP Systems Analyst
Carolyn J. Henry	Account Technician
Paula J. Kaptan	Personnel Technician
Lesley B. Cornish	Account Clerk
Renae L. Simpson	Secretary, Office (Part–Time)
Michelle R. Landreth	Credit Union Examiner (Temporary)
Jerome R. Bowen	Law Intern (Temporary)

FINANCIAL INSTITUTIONS BUREAU

Gavin M. Gee	Financial Institutions Bureau Chief
Nancy G. Page	Secretary/Office Coordinator
Karen M. Richards	Technical Records Specialist
Kelly P. Robison	Bank Examiner, Commissioned Senior
George L. Baker	Bank Examiner, Commissioned Senior
Bradley P. Bergquist	Bank Examiner, Commissioned Senior
Bryce C. J. Baertsch	Bank Examiner, Commissioned
Chester J. Tarleton	Bank Examiner, Commissioned
Mark E. Smith	Bank Examiner, Commissioned
Kathy J. Opp	Bank Examiner, Senior Assistant *
Mark L. Stephensen	Bank Examiner, Senior Assistant *
Suzanne J. Eastman	Bank Examiner, Assistant 2 *
Laurence (Larry) E. Bastida	Credit Union Supervisory Examiner
Byron C. Pratt	Credit Union Examiner, Senior
Larry D. Chandler	Credit Union Examiner **
Thomas E. Abel	Consumer Credit Supervisor
Ray A. Alegria	Consumer Credit Examiner/Investigator
Thea M. Persson	Consumer Credit Examiner/Investigator

SECURITIES BUREAU

R. Wayne Klein	Securities Bureau Chief
William P. Blessing	Securities Examiner
Jelean F. Hale	Securities Examiner
Patricia R. Highley	Securities Examiner
James A. Burns	Securities Investigator
Charles R. Kinkead	Securities Investigator
Peter P. Sigurnik	Securities Investigator
Virginia L. Sorensen	Securities Technician
Katherine M. Witt	Secretary/Records Manager
Wendi M. Adams	Receptionist ***
Angela L. Johnson	Receptionist ***
Fred C. Goodenough	Deputy Attorney General
Marilyn T. Scanlan	Deputy Attorney General
Mary E. Hughes	Deputy Attorney General (Effective 8–13–90)
D. Rita Creed	Secretary/Records Manager

* Underfilling Position of Bank Examiner, Commissioned

** Underfilling Position of Credit Union Examiner, Senior

*** Job Share